



Europeans Log On To Investment Fever

U.S. Brokers Start to Target Continent

By John Tagliabue
New York Times Service

LONDON — Alan English has an addiction, and he is not ashamed to discuss it.

"I log on every day, sometimes from the office, in the morning and in the evening," said Mr. English, 51, a computer consultant, who is still hooked a year and a half after he began shopping for stocks over the Internet. "Some days I don't trade, some days I trade four or five times a day."

Mr. English is one of a growing number of Europeans with on-line investment fever. After years of being coddled by cradle-to-grave social security systems, Europeans are being urged to take a larger hand in planning their financial futures. The result is a stock market boom, and as Web surfing gains popularity across Europe, more and more people are logging on to shop for financial products, retrieving detailed financial information and buying and selling shares.

Compared with the United States, where about 20 percent of all stock trades are entered over the Internet, the movement in Europe is still in its infancy. But as the trend gathers pace, American Internet brokers have begun moving into Britain and increasingly are setting their sights on the Continent as well.

Their arrival poses a challenge for fledgling European on-line trading firms — operations whose ambitions are for the moment limited to national markets, in contrast to the global ambitions of their American competitors.

Analysts expect the arrival of the Americans to accelerate vast changes in the securities business that are already under way here as Europe forges itself into a single market.

Nowhere is the trend more apparent than in Britain. In April, Charles Schwab Corp. started an on-line trading service, and in June, the E-Trade Group, based in California, announced a joint venture with a British partner, as well as licensing agreements in Germany. Other Internet brokers, such as Ameritrade and DLJ Direct, are studying moves to catch up.

American brokers, under competitive pressure back home that is driving down profit margins, are being drawn to the lucrative potential of Europe, where the idea of a discount broker is still rather novel, said Stephen Eckett, the author of "Investing Online," a guide to Internet investment.

Mr. Eckett said that fees at full-service brokers in Britain for the purchase of \$10,000 of stock in a British company would amount to about \$120, while the going commission for making a similar trade on the World Wide Web could be as low as \$9.

Though European investors can already use U.S. on-line brokers to buy shares in the United States, the American companies do not actively promote this business for fear of ranking European securities regulators. Thus, at the start, the American on-line brokers operating in Europe, like Schwab, are offering their customers the chance to trade only on individual

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Agence France-Presse
Victims lying on the coast of Papua New Guinea after tidal waves caused by a quake devastated their village.

Tsunamis Pound Papua New Guinea

More Than 1,000 Feared Dead as 3 Tidal Waves Obliterate Villages

Reuters

PORT MORESBY, Papua New Guinea — More than 1,000 people were feared dead Sunday after three tidal waves destroyed villages on the northwest coast of Papua New Guinea, sweeping hundreds to their deaths and leaving thousands homeless.

More than 700 people were confirmed dead, Roman Catholic officials in the town of Aitape said.

On Sunday, rescuers continued dragging bloated bodies from the Sissano lagoon, which was littered with splintered remains of boats that once made up several villages on its shores.

Villagers living along the lagoon had nowhere to run when the massive tidal waves caused by an offshore earthquake swept out of the darkness and destroyed

their beachfront homes Friday night. Geological centers in Hawaii and Australia, which monitored the quake, said it measured 7.0 on the Richter scale in the Bismarck Sea off Papua New Guinea's northwest coast.

Survivors said first their homes trembled as the earthquake shook the seabed. Then they heard a roar like a jet fighter landing.

Three huge waves, the last and largest estimated at 10 meters (33 feet) high, swept men, women and children into the sea.

"We just saw the sea rise up and it came toward the village and we had to run for our lives," said Paul Saroya, who lost eight members of his family.

Many of the villages on the sliver of land that separates the lagoon from

the sea have completely disappeared.

The Australian Defense Force, which is helping in the rescue operation, estimates 6,000 people are homeless. Some 10,000 people lived in the area.

Rescuers used helicopters and speedboats to ferry the injured to the Aitape hospital, which also was used as a makeshift morgue. Health officials at Aitape said most of the injured had suffered multiple fractures or gashes when they were thrown against trees and debris.

Hospitals in Aitape and Vanimo, the capital of West Sepik, were becoming full, rescuers said, adding that the most seriously injured were being airlifted to a larger hospital in Wewak, about 140 kilometers (90 miles) east of Aitape.

Prime Minister Bill Skal visited the devastated area Sunday.

Dozens Die As a Town In Kosovo Is Ensnared

2 Sides Claim Control As Conflict Intensifies And Hundreds Flee

Compiled by Our Staff From Despatches

PRISTINA, Yugoslavia — Hundreds of Serbian troops battled secessionist guerrillas for control of a town in central Kosovo on Sunday.

Both sides claimed that they controlled most of the town of Orahovac, about 50 kilometers (30 miles) southwest of Pristina, but explosions and machine-gun fire echoed throughout surrounding hills and several buildings burned intensely. Orahovac, with a normal population of 20,000, is the largest town yet caught in the five-month ethnic conflict.

Reporters on the scene said it was not clear whether either force controlled the town amid the house-to-house fighting and shelling in one of the largest battles so far in Kosovo, in which the Kosovo Liberation Army, an ethnic Albanian rebel group, is fighting for independence.

Agence France-Presse reported that at least 110 people were killed Saturday and Sunday. The most serious clash was early Saturday, when a group of around 1,000 separatists tried to enter Kosovo from neighboring Albania, where Yugoslavia says they are trained. At least 90 were killed, according to sources in Pristina.

At least 20 separatists were killed overnight in three further clashes with Yugoslav Army border guards in the same region, around Djeravica, the Pristina sources said.

Yugoslav Army sources put Saturday's death toll at 30. They said the dead all wore the uniform of the Kosovo Liberation Army.

If confirmed, the larger death toll would bring to more than 460 the number of people killed in clashes between the separatists and Yugoslav forces in Kosovo since February. Thousands more have fled their homes.

Witnesses said hundreds of refugees from nearby villages were fleeing the

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A Test for Ulster Loyalists

Gloom Created by Tragedy of 3 Children Dims Orangemen's Boisterous Resistance

By Fred Barbash
Washington Post Service

Those disputed Protestant Orange Order parades shown each year on television news as they pass through angry Roman Catholic neighborhoods in Northern Ireland are not just parades.

They are loyalty tests that force Protestant politicians and others in the Protestant community to take a stand for the Orangemen or against them — the only two choices permitted.

"Against" has been too risky an option for most, and the Orange Order always got its way, until

NEWS ANALYSIS

70 years, Orange Order leaders still believe that their communities have been targeted by Catholics for a form of "ethnic cleansing."

When Orangemen aren't marching, they are meeting in hundreds of fraternal lodges across the province, attending lodge events and outings and generally behaving like ordinary people. They do love a parade, and hundreds come off without incident every year, with bands, picnics and happy children, like the Fourth of July.

The trouble comes in certain areas — like the Garvagh Road in Drumcree parish in Portadown, where the routes cross into Catholic areas.

Then, the Orange Order's siege mentality produces something darker — marches of "triumphalism," according to Catholics; acts of resistance, according to the Orangemen.

I remember two years ago this month being escorted to the Orange Order command center in the church at a similar siege of Drumcree, where a perfectly reasonable-looking school teach-

erants.

After almost two months in office, the loquacious and

See PARADES, Page 7

Indonesian President Knocks on U.S. Door

By Keith B. Richburg
Washington Post Service

JAKARTA — Two months after taking power in a country gripped by political and economic crisis, President B. J. Habibie is considering running for a full term as president next year and wants to seal his legitimacy with an official visit to Washington and a White House meeting with President Bill Clinton.

In an interview, Mr. Habibie said he had not been invited to make an official visit to the United States, but had conveyed his "dream" to the U.S. deputy Treasury secretary, Lawrence Summers, and the U.S. assistant secretary of state for East Asian and Pacific affairs, Stanley Roth.

"If I ever have the chance," he said, "the first country I'm going to visit must be and will be the United States of America."

He said the purpose of a visit would be "to underline how deep our gratitude is" for American economic assistance.

Mr. Habibie claimed to be making some progress in easing Indonesia's economic crisis. But he played down the need to restore the nation's important ethnic Chinese business community, which was devastated by recent riots, and said the continued collapse of the Indonesian currency, the rupiah, was now mainly due to outside factors, such as the weakness of the Japanese economy and the weakening of Asian trade.

"This is a sickness of interdependency among nations," he said.

After almost two months in office, the loquacious and

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Mr. Habibie showing off one of a pair of locally made shoes he bought in Jakarta for the equivalent of \$2.70.

AGENDA

Israel and Palestinians Resume Talks

TEL AVIV (Reuters) — Israel and the Palestinians began their first direct negotiations in 16 months on Sunday and agreed to further talks.

"We discussed all outstanding issues over the past three hours," a Palestinian Authority official, Mahmoud Abbas, said after meeting with the Israeli defense minister, Yitzhak Mordechai. "We went in-depth to these issues. We agreed to continue the follow-up in order to listen to the ideas."

Mr. Mordechai said the talks would "focus in coming days on the central issues and to look for solutions to bridge the gap" between the two sides.

Negotiations have been stuck since Israel broke ground on a Jewish settlement in Arab East Jerusalem in March 1997.

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SMILES — Mark O'Meara lining up a putt in his victory Sunday at the British Open. Page 18.

Anger Rips Nigeria's Sacred Traditions

By Roger Cohen
New York Times Service

ABEOKUTA, Nigeria — Beneath a chaos of Nigeria lies the African anchors of custom and tribal tradition. But the shattering of a taboo here in the hometown of the late opposition leader, Moshood Abiola, has suggested that even these bulwarks are vulnerable to the country's angry mood.

All that remains of the sacred palace

of the current king of the area's Yoruba tribe is a blackened ruin, stripped of its crown, its valuable books and other treasures. After the death in detention of Mr. Abiola on July 7, thousands of people stormed and ransacked the building.

The king "was a father figure to

Abiola," said Toyé Coker, a lawyer and local dignitary, "we cannot understand this blind rage."

Once respect for elders is forgotten, and tradition," the lawyer added, "you are nowhere, neither here nor there, and you are floating dangerously. That is Nigeria's condition today."

Two other lesser palaces were also destroyed during days of rioting that have now calmed. But a dusk-to-dawn curfew remains in place, as does a burning anger at the death of Mr. Abiola, who endowed mosques, schools and other institutions here after rising from the poverty into which he had been born.

The anger of Abeokuta, which is also the hometown of the writer and Nobel laureate, Wole Soyinka, takes several forms: that of ardent reformers against the annulment of the 1993 presidential election that Mr. Abiola had appeared set to win; that of the myriad poor against wealthy citizens like the king, and, most

See NIGERIA, Page 7

Judge Stabs Secondhand Smoke's Big Cancer Link

By John Schwartz
Washington Post Service

WASHINGTON — A federal judge has ruled that the Environmental Protection Agency wrongly declared secondhand tobacco smoke a dangerous carcinogen in a landmark 1993 report, a decision that could imperil hundreds of local and regional ordinances banning indoor smoking.

The controversial report concluded that environmental tobacco smoke is a Class A carcinogen, as hazardous as radon and responsible for some 3,000 lung cancer deaths each year. The tobacco industry promptly sued in federal court to force the study to be withdrawn, arguing that the agency ignored accepted scientific and statistical practices in making its risk assessment — a contention that was also made by many independent scientists.

After five years of court pleadings and deliberations, a U.S. District Court judge, Thomas Osteen of the Middle District of North Carolina, ultimately agreed with the industry. He issued his opinion last Friday.

Carol Browner, administrator of the Environmental Protection Agency, said in an interview that the opinion was disturbing because "it's so widely accepted that secondhand smoke causes very real problems for kids and adults. Protecting people from the health hazards of secondhand smoke should be a national imperative."

Ms. Browner said the administration would almost certainly appeal the decision.

Michael York, an attorney for the cigarette giant Philip Morris Cos., called Judge Osteen's decision "a very important ruling" that could force the agency to reverse its stand on secondhand smoke.

"Now it will be up to the agency to re-examine all of the relevant studies and make the honest determination that the statistical correlations are extremely weak," he said, to justify that secondhand smoke is a Class A human carcinogen.

Reports on the effects of secondhand smoke have long been controversial.

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THE AMERICAS

Starr Brandishes His Judicial Power

After Chief Justice's Ruling, He Moves Swiftly on Bodyguards

John M. Broder
New York Times Service

LITTLE ROCK, Arkansas — President Bill Clinton was in his home state of Arkansas over the weekend, but the man who had for months stood at his shoulder, charged with protecting the president's life, was not.

Larry Cockell, the Secret Service agent who heads the president's protective detail, was compelled to remain in Washington awaiting a summons to appear before a grand jury investigating whether Mr. Clinton had carried on a sexual affair with Monica Lewinsky, a former White House intern, and then lied about it.

By bringing Mr. Cockell and seven

other Secret Service agents to the Federal Courthouse in Washington, the Whitewater independent counsel, Kenneth Starr, made a powerful legal statement, visible to all, about the authority of his office.

And while it is hazardous to predict the course of any investigation, it appears that Mr. Starr is entering a decisive phase of the inquiry.

Much of the legal maneuvering that hindered the independent counsel's investigation for most of this year has been removed, clearing the way for Mr. Starr to move quickly to finish the inquiry.

Although questions remain on lawyer-client privilege and the assertion of a broad new privilege governing Secret

Service testimony, prosecutors now have an opportunity to question officials and agents of the Secret Service about what they may have seen or heard regarding President Clinton and Ms. Lewinsky.

Still unresolved is the question of whether — and under what terms — Mr. Clinton himself might answer questions about his relationship with Ms. Lewinsky.

After a week of legal maneuvering, Mr. Starr won the right Friday to summon Mr. Cockell and seven other Secret Service agents before a grand jury to testify in the Lewinsky matter. The chief justice of the United States, William Rehnquist, rejected a plea by the Justice Department to shield the agents from questioning.

Two current Secret Service officers and one recently retired officer, Robert Ferguson, testified Friday. Mr. Cockell waited for hours but was excused without being questioned.

The chief justice said the Supreme Court might yet decide to hear the Justice Department's appeal of lower court rulings that denied an administration claim that Secret Service personnel are protected from having to testify regarding the president by a "protective function privilege."

Mr. Starr's inquiry has disrupted life at the White House in ways large and small over the last four years. Last week, Mr. Starr struck at the innermost circle of those around the president, the Secret Service agents who provide a 24-hour, flesh-and-bone shield against potential harm.

Mr. Cockell, who in February won the most prestigious job in the Secret Service as head of the presidential detail, has been reassigned to office duties until his testimony has ended.

While the Secret Service and the White House said that Mr. Cockell and the other agents would comply with the subpoenas, there was little disguising the resentment felt at the interruption of what has been Mr. Cockell's unbroken 17-year career, which included duty guarding Presidents Ronald Reagan and George Bush.

Mr. Clinton said Friday that it would be inappropriate for him to comment on the Secret Service subpoenas and the reassignment of Mr. Cockell.

But aides said that the president was seething at what he considers a violation of the close and confidential relationship he must have with those assigned to guard him.

One Democratic ally of the president said that Mr. Clinton believed the subpoenas were a vindictive act by Mr. Starr, designed to embarrass the president and humiliate the Secret Service, and he predicted a strong public backlash against Mr. Starr. Mr. Starr has denied any political motives, saying he seeks only "the truth."

With the testimony of the agents secured, Mr. Starr is moving to complete the questioning of central witnesses.

Linda Tripp, who secretly tape-recorded hours of frank conversations with Ms. Lewinsky, has spent much of the past three weeks before the grand jury and is expected to return.

The proposals are an outgrowth of controversies involving sexual behavior that have buffeted the military, including the discharge from the air force of First Lieutenant Kelly Flinn for lying about an affair with the husband of an enlisted subordinate and the furor over an affair by General Joseph Ralston, also of the air force, with a civilian in the 1980s.

Public disclosure last year of the affair derailed General Ralston's chance to be chairman of the Joint Chiefs of Staff.

Away From Politics

Twenty New York City policemen have been pulled off active duty for what investigators said was a decade-old scam by veteran officers who kept a room in a Manhattan brothel where they got free sex in reward for not arresting prostitutes. (NYT)

Taunts and pleas for tolerance greeted about 90 white supremacist Aryan Nations members who marched through Coeur d'Alene, a northern Idaho resort town. They were escorted by policemen in riot gear. (AP)

BOOKS

THE WAY I FOUND HER

By Rose Tremain. 359 pages. \$25. Farrar, Straus and Giroux.

Reviewed by Carolyn See.

THIS is summer literature for smart people, a beautiful and subtle narrative cast in the form of a murder mystery, where every sentence in the first half of the novel sets up something important in the second half, where almost every paragraph alludes to other novels (Dostoevsky's "Crime and Punishment" or Alain-Fournier's "Le Grand Meaulnes"), where existentialism is condemned as a "passé" philosophy in the opening chapters but governs the choices of most of the characters by the end, and — finally — where Paris is used by the author as almost a new city, a place of indescribable beauty and nostalgia but seen with new eyes, rescued from cliché, becoming again the one place on Earth where dreams stand at least a chance of coming true.

The new eyes belong to Lewis Little, a precocious 13-year-old who is taken off to Paris for the summer by his mother, Alice, who has landed a job there translating a novel. Thinking back on how to

begin this story he's telling us, Lewis remembers the cross-channel plane. A passenger in close proximity to Alice becomes so unversed by her beauty that he manages to explode his package of airline peanuts. It's an apt metaphor for all that follows: Things that look most harmless and inoffensive often exist under great, invisible pressure; press on anything hard enough and it is likely to explode in your grip.

Nothing could seem more inoffensive, uneven and even boring than the summer that awaits Lewis. The novelist whose works his mother will be translating, Valentine Gavrilovich, writes faux-medieval trash, the kind of book with knight errant and heroines with low-cut bodices, junk lit that makes a lot of money but is beneath the notice of a boy like Lewis, who is a math whiz, chess nut and philosophy buff, a little guy who describes a bunch of infants on that first London-Paris airplane as "a gaggle of babies, mewling." He's lonely and soon sees that his mother has taken him to Paris only to ignore him. He's supposed to go out and "play" for hours on end while translator and novelist get on with the grown-up business at hand.

The world where Lewis finds himself is strange in every particular. Valentine lives alone in a spacious, luxuriant apartment filled with art objects and polished marble floors. The writer herself is exotic and larger than life. She's 41, very ample and dresses in brightly colored silks with matching sandals. She's rich and mysterious. Her parents were poor immigrants from Russia, and she carries a few incongruous tendrils from her past along with her: a mother with a mouthful of broken teeth, an ex-husband who is a desperately poor poet and crazy to boot.

Lewis tries, as we all do, to make a coherent pattern of the universe he finds himself in. He's reading his two summer books, he's pondering "existential choice" and what that might mean — if money but is beneath the notice of a boy like Lewis, who is a math whiz, chess nut and philosophy buff, a little guy who describes a bunch of infants on that first London-Paris airplane as "a gaggle of babies, mewling." He's lonely and soon sees that his mother has taken him to Paris only to ignore him. He's supposed to go out and "play" for hours on end while translator and novelist get on with the grown-up business at hand.

Carolyn See reviews books regularly for The Washington Post.

BRIDGE

By Alan Truscott

IN any Hall of Fame, some players are obvious candidates for induction as soon as they reach the age limit. Billy Eisenberg, of Boca Raton, Florida, who recently had his 60th birthday, is in this category and is to be inducted into the Bridge Hall of Fame this month in Chicago. His credentials include five world championship titles in the Bermuda Bowl series and the title of Grand Master.

The most important deal of his career is shown in the diagram. It was the penultimate deal of the 1979 world championship final against Italy. The Italians had trailed by 66 points with 15 deals remaining. It had cut the margin to 17 thanks largely to the efforts of the great Giorgio Belladonna, bidding desperately for one more title. The Vugraph audience knew that Italy was likely to gain 10 points on the

last board, so the title was on the line.

Both North-South pairs reached three no-trump, and in the closed room Belladonna as West led a club: down two. In his room, clubs had not been bid, but when Eisenberg was West, with the auction shown, he naturally led a heart.

South was Soldano De Falco, and he won with the heart king and led the spade jack for a finesse. Eisenberg's

partner, in the East position, was Eddie Kantar, and he could have settled the issue by winning and playing clubs. But as he was equally in the dark about the club position he allowed the spade jack to partner the last two tricks.

South led to the spade king and, on finding the bad split, gave up on spades. He led the diamond queen, which was covered by the king and ace. He led a heart, and West took the ace and now led a club, sure that his partner held the ace. East won and returned a club, and after winning with the nine Eisenberg was on lead in the position shown at left.

Instead Eisenberg led a heart to dummy's queen and East had no choice but to give up his remaining club. South cashed the spade ace and took a successful diamond jack but had to concede the other for down one.

De Falco could have given himself a better chance, after winning the heart queen, by

taking a diamond finesse immediately. Kantar would have had to sacrifice his diamond 10 under the jack to avoid an endplay and give his partner the last two tricks.

And the Americans won the title by five points, the closest margin in the history of world championship play.

NORTH
♦ A K 10 8 2
♦ Q J 10
♦ Q 7 2
♦ —
WEST
♦ A 10 8
♦ Q
♦ 7 2
♦ —
EAST
♦ Q 9 8 3
♦ —
♦ 10 4 3
♦ 2
SOUTH
♦ 2
♦ 1 9 8
♦ 3 8

The bidding:

North
Pass
Pass
Pass
Pass

South
Pass
Pass
Pass
Pass

West
Pass
Pass
Pass
Pass

East
Pass
Pass
Pass
Pass

We led the heart seven.

Instead Eisenberg led a heart to dummy's queen and East had no choice but to give up his remaining club. South cashed the spade ace and took a successful diamond jack but had to concede the other for down one.

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♦ —
♦ 10 4 3
♦ 2
SOUTH
♦ 2
♦ 1 9 8
♦ 3 8

The bidding:

North
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Pass
Pass
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Pass
Pass
Pass

West
Pass
Pass
Pass
Pass

East
Pass
Pass
Pass
Pass

We led the heart seven.

POLITICAL NOTES

Black Troops Hailed In Civil War Statue

WASHINGTON — The crowd could not wait. As dedication ceremonies for the new national memorial to black Civil War troops dragged on, the crowd surged forward, reaching out to touch a gun, foot or head of the statue depicting the courage of those soldiers and sailors who fought for the Union.

They had waited through two hours of speeches, songs and prayers for the chance to see and then caress the statue, "The Spirit of Freedom," at the African-American Civil War Memorial in the Shaw neighborhood of Washington. Some people said their families had waited for more than a century for public recognition of the contribution of the black troops to the Union victory.

Paid for by private funds and built through coalition of local business and community organizations, the \$2.6 million memorial is scheduled to be completed on Veterans Day, when several walls of engraved names of more than 208,000 troops and their white officers will be ready. (WP)



The newly unveiled "Spirit of Freedom" memorial in Washington. (AP)

A Clinton Pep Talk

LITTLE ROCK, Arkansas — In a highly partisan pep talk for his home state Democrats, President Bill Clinton bashed the Republican-controlled Congress for opposing "our whole agenda."

"It's unbelievable," an animated Mr. Clinton said Saturday about Republican efforts to stop his program for putting additional police officers on the streets even as crime rates fall.

Appearing at a morning meeting of the Arkansas State Democratic Committee, Mr. Clinton said Democrats

need to find not just good candidates but candidates with good ideas.

The president cited changes his administration has fought for against Republican opposition since 1993. He mentioned the Democrats' efforts in support of new school buildings and smaller classes, a cleaner environment and a health care patient's rights.

Quote/Unquote

John Kotelly, lawyer for Larry Cockell, presidential security official subpoenaed to testify in the Monica Lewinsky case: "This is a difficult thing for him to do. His training is such that he does not talk about the president." (AP)

Tough Times Drive Out U.S. Farmers

Crisis Is Worse Than in 1980s, North Dakota Official Says

By Pam Belluck
New York Times Service

BUXTON, North Dakota — "Times are so tough," says a sign at the Buxton grain elevator, the closest thing to a public square in a pin-dot prairie town like this, "that even the people who don't intend to pay aren't buying."

It is a bit of black humor in this dusty half-mile hamlet, but these days there are not many people laughing.

Take Ron Eliason, 55, a farmer all his life. Stoic in the style of the Northern Plains, Mr. Eliason lost a battle with his composure the other day as he was forced to sell off every piece of farm equipment he owned and surrender to the idea that he would never again run the farm his father started when the century was young. "I loved my job," said Mr. Eliason, his eyes misting as he watched auctioneers in his sun-scorched farm yard hawking his red wheat swather, his giant combine, his rugged little crop sprayer. "It's in your blood. I always said if I could make a dollar over expenses and living, I'd have a good year. But last year I lost over \$100,000. You're not going to make it that way. And I couldn't."

Mr. Eliason's plight is becoming crushingly familiar across the Northern Plains this year, as a withering combination of bad weather and stunting economic conditions is driving farmers off the land in North Dakota. South Dakota and parts of Minnesota and Montana.

Plummeting grain prices fueled by increasing foreign competition have farmers struggling to keep afloat, especially when the cost of equipment and fertilizer is higher than ever. Farmers have yet to recover from several years of floods and soggy fields that have saddled wheat and barley crops with diseases like scab and its corrosive by-product, vomitoxin. And deregulation, in the form of Congress's 1996 farm bill, is phasing out the farmers' safety net, the subsidies when prices fall below target levels and the automatic disaster aid when crops fail.

"We have farmers going broke in mass," said Roger Johnson, the North Dakota agriculture commissioner. Although some farmers have managed to survive and even do well, he said the problems were the worst he had ever seen in the state, including the farm crisis of the 1980s. "Today, farmers just don't see a future they are really attracted to in agriculture. The continuation of this will simply be emptying out the countryside."

Small towns, which have long been facing a gradual hemorrhage of people to the cities, are fearful their Main Streets will shut down. Businesses that revolve around agriculture are beginning to

Washington. The wheat will be donated as humanitarian relief in Sudan and elsewhere.

Mr. Clinton said Saturday that the government would purchase within days 80 million bushels of wheat, or about 2.5 million tons, which he said could lift prices as much as 13 cents a bushel. A bushel of wheat sells for about \$2.75.

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ASIA/PACIFIC

Japanese Candidates Sound Alike in Pledging to Be Different

All 3 Reject the Incumbent's Economic Policy

Reuters

TOKYO — A week after voters punished Japan's prime minister for his economic policies, three candidates for his job vowed Sunday to cut taxes and to deal sternly with banks carrying bad loans.

The three candidates — the foreign minister, Keizo Obuchi; a former chief cabinet secretary, Seiroku Kajiyama; and the health minister, Junichiro Koizumi, who joined the race on Saturday — debated one another twice on national television.

All three said they would break with the economic program of the outgoing

prime minister, Ryutaro Hashimoto. His priority has been cutting the national budget deficit. All three candidates said that their priority would be stimulating the economy.

Apart from their differences with the incumbent prime minister, the three candidates expressed few differences among themselves.

All three said they would cut the top income tax rate. All three said they would finance that stimulus with bonds. All three promised to attack the trouble with Japan's banks: an estimated 87 trillion yen (\$623 billion) in problematic loans, because of which the banks have throttled lending.

The United States has been leading an international chorus calling for Japan to act pretty much as the candidates promised, to help pull the rest of Asia out of its morass and head off a global economic downturn.

Mr. Obuchi and Mr. Kajiyama both said they would try to get the economy growing at a robust rate of about 3 percent a year. Mr. Koizumi offered no growth target.

Mr. Kajiyama, 72, talked the toughest about forcing banks to disclose their bad loans and letting banks fail if necessary.

Mr. Koizumi, 56, remained the dark horse, promising to pay for his tax cuts by halving the number of bureaucrats and members of Parliament over the next 10 years.

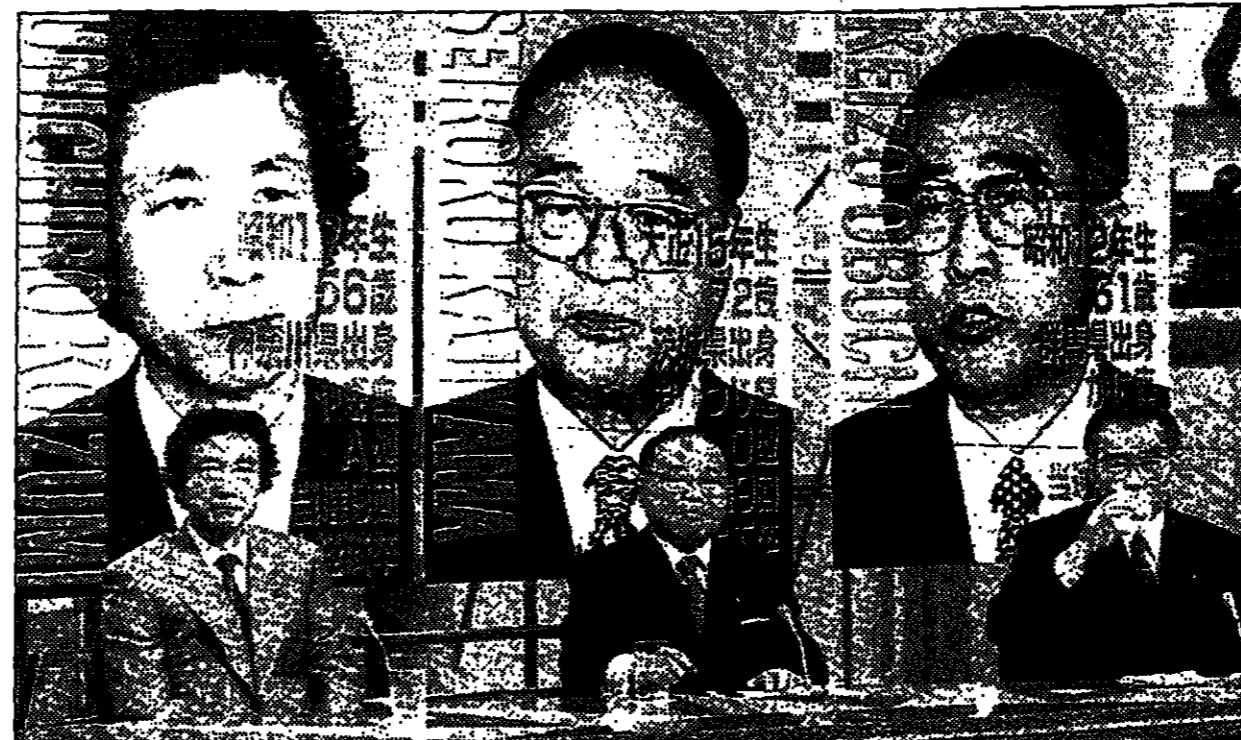
Mr. Obuchi, 61, reinforced the general impression that he is the most cautious of the three. On Friday he had offered the most concrete plan of the three for spurring the economy. But on Sunday he appeared more characteristically tentative.

"A couple of times Obuchi looked like a deer caught in the headlights," said John Neuffer, political analyst at Mitsui Marine Research Institute. "He doesn't seem to have the fluid public style that Kajiyama has."

A flash poll after the debate by TV Asahi showed the telegenic Mr. Koizumi in the lead, with 172 votes, followed by Mr. Kajiyama with 125 and Mr. Obuchi trailing with 61.

The three men — and anyone else who wishes to be considered — must register their candidacies on Tuesday. On Friday, 366 members of the Liberal Democratic Party — its members of Parliament plus a representative from each of the country's 47 prefectures — voted in secret. If no candidate wins a majority, a second round determines the winner — and next prime minister.

The Lower House is expected to confirm the party's choice as prime minister at the end of the month.



Candidates for Japan's prime ministership debating in a television studio on Sunday. They are Health Minister Junichiro Koizumi, former Cabinet Secretary Seiroku Kajiyama and Foreign Minister Keizo Obuchi.

Main Cargo Handler Starts to Recover at Hong Kong Airport

Reuters

HONG KONG — Hong Kong's main air cargo operator lifted its embargo on most imports and exports Sunday and resumed operations at half speed after 13 days of chaos at the city's new \$20 billion airport.

Hong Kong Air Cargo Terminals Ltd., which handles about 80 percent of the air cargo through this Asian hub, had moved only perishable goods and urgent medical supplies since July 10, due an array of problems at its \$1 billion facility.

"We lifted our embargo at midnight last night, and I believe our recovery plan is going ahead on schedule," Anthony Charter, managing director of the company, said Sunday.

Airlines said they were loading cargo flights that had flown in empty since July 10. The flights were picking up cargo from the company's backlog.

Hong Kong Air Cargo's recovery plan, announced last week, called for moving half of its normal volume of imports and exports of 5,000 tons per day, starting Sunday and reaching full capacity by mid-August.

The airport was officially opened on July 2. Commercial flights began four days later amid chaos, with hundreds of aircraft facing long delays, thousands of pieces of luggage going astray, construction workers still pounding away and an array of airport equipment breaking down.

While passenger service has been restored, air cargo will be severely disrupted for some time. The government estimates that the cargo turmoil could cost Hong Kong 4.6 billion Hong Kong dollars (\$593.6 million).

Mr. Koizumi, 56, remained the dark horse, promising to pay for his tax cuts by halving the number of bureaucrats and members of Parliament over the next 10 years.

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Mahathir Attacks 'Negative' Reporting

Malaysian Newspaper Shake-Ups Prompt Anxiety About Press Crackdown

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Following shake-ups at Malaysia's two highest-circulation newspapers, Prime Minister Mahathir bin Mohamad criticized the local media over the weekend for publishing "negative" and "baseless" reports.

Mr. Mahathir said negative reporting was "counterproductive to national development and the mental well-being of the people."

Ahmad Nazri Abdullah, group editor of Berita Harian, the country's highest-circulation newspaper, resigned Saturday and Johan Jaafar, editor of the second-largest circulation newspaper, Utusan Melayu, resigned Tuesday.

Mr. Mahathir denied Saturday that political pressure had played a role in their resignations, but reporters, editors and the head of Malaysia's largest opposition party disagreed.

Lim Kit Siang, head of the Democratic Action Party, suggested the editors had been forced to resign because they had tried to promote independent, investigative and critical journalism.

The removal of the editors in chief, Mr. Lim said, "are further signs of possible crackdown against an already very limited press freedom in Malaysia."

As what was perhaps a sign that the resignations were indeed politically linked, Mr. Johan submitted his resignation to the prime minister himself, and not to his immediate superior at his newspaper, according to the national news agency, Bernama.

As Malaysia's economic prospects worsen — the government has forecast negative growth this year, and several high-profile companies have filed for court protection against their creditors — government officials have become increasingly sensitive to criticism.

Mr. Mahathir, for instance, took local newspapers to task two weeks ago for reporting on problems at Kuala Lumpur's new international airport.

As a result, editors at local news-

papers say they are more careful in deciding what they print these days. The last large-scale crackdown on the Malaysian press was in the late 1980s, a time of slow economic growth.

Mr. Mahathir's government shut several newspapers in 1987 and arrested more than 100 people, including Mr. Lim.

But reporters and editors say do not expect another crackdown of that magnitude anytime soon. The recent resignations, they said, have as much to do with political maneuvering as with the issue of press freedom.

Mr. Mahathir said over the weekend that Malaysian papers should not copy the reporting styles of their Western counterparts.

"In the West, news reports are written without any consideration of morality and the implications on society but only aim to make the writers and news-

papers popular," Mr. Mahathir said.

BRIEFLY

Taleban Orders Aid Agencies Shut

KABUL — The Taliban on Sunday ordered foreign aid agencies to close down for defying instructions to move to a derelict college building with no water or power.

Qari Deen Mohammed, Taliban's planning minister, said the authorities had rejected appeals by the aid agencies to rethink the order and said they should pack up their belongings and leave.

The Taliban set Sunday as the deadline for 35 nongovernmental organizations with 100 foreign staff to agree to its order to move to the building. (Reuters)

UN Envoy Meets East Timor Groups

BAUCAU, East Timor — James Micallef, a United Nations envoy, who arrived here Sunday for talks on the future of troubled East Timor, said an end might be in sight to the bloody 23-year-long conflict.

Mr. Micallef was flown here by the Indonesian Air Force. Indonesia annexed East Timor in 1976, a year after invading it. He spent three hours talking with pro- and anti-independence groups.

He said more should be known after a meeting under UN auspices in New York on Aug. 4 and 5 between the foreign ministers of Portugal and Indonesia. (AFP)

For the Record

China has evacuated 132,000 people stranded by swollen waters near the Three Gorges dam on the Yangtze River and warned local authorities to prepare for heavy flooding, officials and state media said Sunday. (Reuters)

Indian authorities in Maharashtra, of which Bombay is the capital, have prohibited the performance of a play about the independence leader Mahatma Gandhi, which lawmakers said showed him in a poor light. Newspapers reported Sunday. (Reuters)

Khmer Rouge guerrillas made a bloody return to Cambodian politics by spraying a convoy of election workers with automatic weapons fire in Phnom Penh, killing two people. (AP)



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A Role-Model Pension Plan

U.S. Weighs Copying U.K.'s Partial Privatization

By Richard W. Stevenson
New York Times Service

LONDON — Shelagh Wellbelove, a retired secretary from just outside London, lives on about \$1,000 a month. That is enough, she said, to take vacations, pay for a car and generally live comfortably, especially since she paid off her mortgage. And it seems perfectly fair to her that most of the money comes from her own savings and investment, with Britain's public pension system kicking in less than half.

"If you're in a decent job," she said, "why don't you save for your own future?"

Along among the biggest industrialized nations, Britain has taken aggressive steps over the past two decades to shift responsibility for retirement income from government to individuals, a change very much in line with the market-oriented ideology of the Conservative government that imposed it.

As a result, the financial burden of providing pensions to an aging population will decrease in Britain relative to the size of the economy. For governments in France, Germany, Japan and to a lesser extent the United States, it will increase sharply if their public pension systems are not changed.

Most European countries have hardly begun to grapple with this, one of the biggest long-term economic challenges facing them, and one of the most politically delicate, given their welfare-state traditions. By 2030, Britain's pension costs are projected to be 6.2 percent of gross domestic product, compared with 6.8 percent in the United States, 14.2 percent in Germany and 17.2 percent in France.

The United States is just now plunging into a debate about what can be done to prepare Social Security for the baby-boom generation's retirement. Britain's economy is much more similar to the United States' than those of other countries often held up as examples of successful pension privatization, including Chile and Australia. So U.S. economists and lawmakers are looking to Britain for lessons.

Among the options being seriously considered in the United States is partly privatizing Social Security much in the way Britain has overhauled its system. The idea would be to allow individuals to use a portion of the payroll taxes that finance the system to set up private retirement accounts.

"The United Kingdom stands out by the absence of a significant financing problem in its public pension system," Barry Bosworth and Gary Burtless of the Brookings Institution in Washington wrote in a recent study of the economic challenges created by aging populations. "Through a series of legislative changes, it has already moved to scale back its public pension system, choosing to rely increasingly on a basically private system providing retirement income."

Britain's public system is divided into two parts. The first is a basic state pension — currently about \$100 a week — that is paid to all retirees. The second part pays a benefit based on the retiree's earnings history.

Under the Conservative government of

Prime Minister Margaret Thatcher in the mid-1980s, workers were urged through tax breaks and educational campaigns to "opt out" of the system's earnings-based component and instead to invest a portion of their payroll taxes in a private investment account or a company-sponsored retirement plan.

Nearly three-quarters have done so.

The lure for people was the chance to amass more retirement savings than the government plan would provide by investing in stocks, bonds and lower-risk plans sold by insurance companies. The government also made the state benefit less attractive by reducing the annual cost-of-living increase.

For the government, the attraction was to address a fundamental problem shared by most big countries: The traditional "pay as you go" system, under which taxes levied on the current generation of workers pay for the state pension benefits of current retirees, will begin to buckle in coming decades as the baby boomers retire. At that point there will be proportionally fewer workers paying the taxes that finance the benefits.

Workers' taking responsibility for themselves will reduce the gap between the benefits due future generations and the money that governments will be able to raise through taxes on a shrinking work force.

In many ways the changes in Britain work just as intended. But they have also been criticized as moving the country closer to abandoning collective commitment to one of its most vulnerable populations.

Moreover, high-pressure sales of individual pension programs by insurance companies and other financial services firms in the early 1990s caused heavy losses for many people and cast a shadow over the entire process. Indeed, the British experience has raised warning flags for the United States about the perils of transforming guaranteed government pension programs into investment-oriented plans that force people to make their own financial judgments.

Britain's main regulators, the Pension Investment Authority and the Financial Services Authority, have reviewed hundreds of thousands of cases, estimating that the cost of bailing out the investors could top \$15 billion. Most of this would be picked up by the insurance companies that were the primary sellers of the plans.

"In my view it's gone way too far," said Mike Reddin of the London School of Economics. "I don't believe people realize that we've almost entirely privatized income maintenance in Britain."

"For individuals, it is a tradeoff between political and economic risk," said Roderick Nye, director of the Social Market Foundation, a conservative research organization in London. "Which do you trust more, politicians or markets? If you look at a country like Germany, the politicians are going to have to default on the promises they have made to provide a certain level of publicly financed pensions. Here, people are investing in the performance of the economy."



Kofi Annan, the UN secretary-general, applauding in Rome as the Italian foreign minister, Lamberto Dino, showed the treaty creating the new war crimes tribunal.

War Crimes Court Limped In

U.S. Won't Join, Weakening Power of the Tribunal

By Alessandra Stanley
New York Times Service

ROME — Leaving the United States behind, more than 100 countries have agreed on the fundamentals for an international court to prosecute war criminals and tyrants.

The original goal, one of the most ambitious efforts to extend the rule of international law, was for a kind of global Nuremberg. The final document, cobbled together with compromises, was less than many had hoped for.

But it went much too far for the United States. And without Washington's blessing, the court's authority was considerably weakened at its creation.

"You cannot have a court of universal jurisdiction without the world's major military power on board," said Gert Strijders, a Dutch delegate. "I won't say we gave birth to a monster, but the baby has some defects."

The United States came to the five-week UN conference fearing that a court with broad jurisdiction and an overly independent prosecutor could someday haul U.S. soldiers before international judges on politically motivated charges. Many of the 160 countries agreed on concessions to meet U.S. objections, but at the end, they balked at going all the way.

After the conference decided late Friday

against allowing any last-minute amendments, the document was approved by consensus. When the United States asked the final group meeting to take a vote, 120 countries voted yes, 7 no and 21 abstained. The United States voted no, as did China and Israel.

While the conference approved the document, few countries were immediately ready to sign it or see their parliaments ratify it. For the court to begin operations, in The Hague, 60 countries must first ratify the treaty, a process that could take years.

Even if the Clinton administration had embraced and signed the document, the Senate would almost certainly not have ratified it because Senator Jesse Helms, Republican of North Carolina, is opposed.

At the conference, there were bitter disagreements about the scope and jurisdiction for three core crimes: genocide, crimes against humanity and war crimes.

A consensus agreed that countries that join the court must accept its jurisdiction over genocide and crimes against humanity.

But the top coordinating committee, chaired by Canada, included an "opt-out" provision for a third core category, allowing countries to reject the court's jurisdiction over war crimes for the first seven years of its existence. That brought France on board.

BRIEFLY

EU Warning on Nuclear Plants

GRAZ, Austria — Countries expected to be the next admitted to the European Union were told Sunday they must improve the safety of their nuclear plants.

Environmental ministers from the 10 states were told at a meeting here with their European Union counterparts that they must "attain a standard of nuclear safety corresponding to the very strict norms" within the Union.

The message was part of a general warning to the states — the Czech Republic, Poland, Hungary, Bulgaria, Slovakia, Slovenia, Estonia, Lithuania, Latvia and Cyprus — to meet all Union environmental standards.

The meeting followed a lengthy dispute between Austria, which currently holds the European Union presidency, and neighboring Slovakia over a Slovak nuclear power station operating 200 kilometers (125 miles) from the Austrian border.

(AP)

29 Mafiosi Sentenced to Life

CATANIA, Sicily — A Sicilian court on Saturday handed down 29 life sentences to members of the Mafia for their roles in 10 murders.

The convictions brought to 47 the life sentences handed down to mafiosi here in the past four days.

On Wednesday a court sentenced 18 bosses to life in prison for their part in the killing of a member of the European Parliament, Salvo Lima, who was shot near Palermo in 1992.

The 18 included a number of bosses already in jail, among them a former "boss of all bosses," Salvatore "Totò" Riina.

(Reuters)

Hungary Gets New Synagogue

BUDAPEST — Hundreds of children wearing Star of David T-shirts witnessed the consecration on Sunday of the first new synagogue to be built in Hungary since the Holocaust.

The synagogue is part of a new community center in an international Jewish youth summer camp in Szarvas, 200 kilometers (125 miles) southwest of Budapest. The summer camp is the only such institution in East-Central Europe.

"A camp in this region presents an unprecedented opportunity to awaken countless young people, long denied access to their heritage, to the joy of Judaism," said Ronald Lauder, the American cosmetics heir, who founded the camp.

(AP)

Poles Redraw Provincial Lines

WARSAW — The lower house of Poland's Parliament approved a compromise plan over the weekend to revamp the Communist-era provincial system and conform with European Union practice by dividing the country into 16 provinces.

The new system was described as facilitating the devolution of tax money and power to local governments.

The vote followed months of wrangling within the governing coalition, in which Solidarity is the largest party, and a political tug-of-war with the ex-Communist opposition.

The government originally wanted to create 12 large, economically viable regions to replace the 49 tiny provinces created by the Communists in 1975. (Reuters)

Martin Seymour-Smith, 70, Critic, Dies

The Associated Press
LONDON — Martin Seymour-Smith, 70, literary critic, editor, biographer and poet, died July 1 in Bexhill-on-Sea, England, of a heart attack, a family friend said.

Mr. Seymour-Smith produced more than 40 books, including an annotated compilation of Shakespeare's sonnets in the original spelling, and biographies of Thomas Hardy, Rudyard Kipling and Robert Graves.

But he was probably best known for his "Guide to Modern World Literature," published in 1973, and revised and expanded in 1986 as "The Macmillan Guide to Modern World Literature," a comprehensive study of 20th century poetry, drama and fiction. His "Who's Who in 20th Century Literature," published in 1978, is a series of pithy analyses of great writers.

Mr. Seymour-Smith graduated from Oxford University, then went into teaching. At one stage, he tutored

Robert Graves's children on the island of Majorca and his enduring friendship with the poet informed his 1962 biography, "Robert Graves: His Life and Work." His biography of Kipling caused controversy by suggesting the writer was a homosexual.

Mr. Seymour-Smith produced six collections of poetry, the most celebrated of which was "Reminiscences of Norma," works that explore the excitement and pain of sexual love.

Roger Quilliot, 73, Specialist on Camus.

PARIS (AP) — Roger Quilliot, 73, a former French government minister and specialist in the writings of Albert Camus, committed suicide Friday in Clermont-Ferrand, France, where he had served as mayor for more than 20 years.

Mr. Quilliot edited the complete works of Camus in the Pteide edition. President Francois Mitterrand appointed

him minister of urban affairs in 1981.

Henry Leir, 98, Trader and Philanthropist

NEW YORK (AP) — Henry Leir, 98, a leading commodities trader and philanthropist who fled Nazi Germany and founded a ma-

ior international trading business in the United States, died Wednesday.

After selling his company

Continental Ore Corp. for \$40 million in 1968, Mr. Leir gave

money to universities, hospitals and causes for underprivileged children and Jewish institutions.

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Turks Threaten Peace, Nicosia Says

The Associated Press
NICOSIA — The Greek Cypriot government accused Turkey on Sunday of "threatening peace" by sending six warships and an aerobatics squadron to the Turkish-occupied north of the island.

The air and naval units were dispatched to participate in weeklong Turkish Cypriot celebrations beginning Monday to mark the 24th anniversary of Turkey's invasion of the island.

The Turks invaded with the explanation that they had to protect the Turkish Cypriot minority after an abortive coup by Greek Cypriot supporters of union with Greece.

A breakaway Turkish Cypriot state established in the north is recognized only by Ankara, which maintains 35,000 troops there.

The Greek Cypriot defense minister, Yiannakis Omirou, criticized the arrival of the Turkish warplanes and ships.

"The international community must realize after this latest Turkish display who is threatening peace and who is the troublemaker in the region."

The anniversary is getting

more attention this year because of increased tension between Greece and Turkey over the Greek Cypriots' decision to buy S-300 anti-aircraft missiles from Russia.

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INTERNATIONAL

Some Secret! Mandela and Machel Marry

But Rites for South African President and Mozambican Ex-First Lady Are Private

By Lynne Duke
Washington Post Service

JOHANNESBURG — President Nelson Mandela let South Africa's worst-kept secret out of the bag this weekend when he married his longtime companion, the former Mozambican first lady, Graca Machel.

Mr. Mandela and Mrs. Machel, 52, took their vows on Mr. Mandela's 80th birthday in a private, multidenominational ceremony at his presidential home in the affluent Johannesburg suburb of Houghton.

Before a small group of friends and senior politicians, a Methodist archbishop, Mvume Dandala, performed the ceremony, assisted by the retired Anglican archbishop and Nobel Peace laureate Desmond Tutu. Archbishop Tutu, the 1984 laureate, had publicly pressured Mr. Mandela to marry Mrs. Machel to set a moral example for the nation. During the ceremony, well-wishers from the surrounding community filled the usually quiet tree-lined street with traditional songs of praise.

The marriage Saturday follows a week of rampant speculation that a wedding would take place. Despite leaks about the pending nuptials, officials in Mr. Mandela's office repeatedly misled the media with emphatic denials. On Saturday afternoon, Deputy President Thabo Mbeki ended the ruse when he left the Houghton home and held a news conference in Pretoria, 40 kilometers (25 miles) away, to announce the marriage.

"President Nelson Mandela and Graca Machel got married this afternoon," he said. "They ex-

changed rings. When asked to kiss, they kissed, and the president said it was the first time he had kissed her."

Mr. Mandela, South Africa's first democratically elected president and a recipient of the Nobel Peace Prize in 1993 for his role in steering the country's transition from white minority rule, will spend his political retirement and twilight years with the woman who has become a prominent fixture in his public and private life.

He is to step down after just one term following elections tentatively set for May. Last December, he handed over the reins of the governing party, the African National Congress, to Mr. Mbeki, who now is predicted to succeed him also as president.

This marriage is Mr. Mandela's third and Mrs. Machel's second. The two have been openly involved since shortly after the president's divorce had publicly pressured Mr. Mandela to marry Mrs. Machel to set a moral example for the nation. During the ceremony, well-wishers from the surrounding community filled the usually quiet tree-lined street with traditional songs of praise.

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Mandela's ANC and thus a foe of South Africa's old apartheid government, Samora Machel died in a 1986 plane crash that remains under investigation here because of suspicions that apartheid-era officials were responsible.

Because she is Mozambican, Graca Machel has not been universally accepted in South Africa as a suitable presidential companion.

Also, there remains for many here deep regret that the two famous Mandelas could not iron out their marital problems. But because Nelson Mandela is so widely revered in this socially conservative country, many felt his happiness was contingent on having a wife.

"I like Winnie because she waited a long time for him to come out" of prison, said Mary Kekana, 35, one of hundreds of Houghton residents who sang outside Mr. Mandela's home. "But if he is happy, it's all right."

Although 28 years Mr. Mandela's junior, Mrs. Machel shares several attributes with him. Like him, she holds a law degree. And she is a revered public figure in Mozambique who, like him, has focused special attention on child development.

She also has high credibility in southern Africa for being part of its many liberation struggles against colonialism. Mozambique won independence from Portugal in 1975, and Mrs. Machel was education minister for 11 years until 1986.

Mr. Mandela and Mrs. Machel, who will not change her name, have lived apart during the past two years and will continue to do so, Mr. Mbeki said, because of their duties. She is an academic, attorney and advocate for children's rights.



Nelson Mandela and Graca Machel after their small and private wedding ceremony.

HABIBIE: Knocking on the U.S. Door

Continued from Page 1

energetic Mr. Habibie, a former aeronautical engineer, still seemed surprised, even a bit awed, by his rapid and unexpected ascent to the presidency of the world's fourth-most populous nation.

He was thrust into office on May 21 after massive student protests and rioting in Jakarta, the capital, forced the authoritarian leader, Suharto, to step down after 32 years in power.

Mr. Habibie said that after two decades in Mr. Suharto's cabinet, he had been thinking of retiring from government and writing books, until he was named vice president in March and Mr. Suharto's replacement just two months later.

"Man plans, but God decides," Mr.

Habibie said. He admitted to being woefully unprepared for the job he inherited, still needing to reread the Constitution to learn the extent of his power and beset by a raft of debilitating problems, including an economy on the verge of hyperinflation and divisions in the armed forces.

"In my first 10 days, I slept every day only two hours, because I was not prepared for this," he said.

Mr. Habibie has not said that he is running for president. But in the interview Saturday, he left little doubt.

"I leave it first to God, because I have to be healthy, and second to the people's power, whether they want me to run the country or not," he said.

He would clearly like to use an official visit to Washington to enhance his credentials as president and statesman. His message for Mr. Clinton, he said, was to help him realize "my dream," which was "to thank him in person and thank the people of the United States in person."

U.S. officials said no White House visit was being planned. But one possibility is that Mr. Habibie could attend the UN General Assembly session in New York this fall and then request meetings with Mr. Clinton and other officials.

Mr. Habibie spoke at length about Indonesia's Chinese community, which many economic analysts have said is the key to any economic recovery. Inflation may top 80 percent this year, approximately matching the *rupiah's* decline in a year. More than 80 million Indonesians are living in poverty, compared with about 22 million a year ago.

Although they make up only 3 percent of Indonesia's population of more than 200 million, the ethnic Chinese form the backbone of the economy. Since the May riots, in which ethnic Chinese neighborhoods and businesses were targeted for looting, thousands of Chinese have taken refuge outside the country, mostly in Singapore and Australia.

Reporters with the guerrillas could see anti-aircraft guns, heavy machine guns and smaller arms.

Ethnic Albanians, who outnumber Serbs 9-to-1 in Kosovo, are demanding independence from Serbia, which makes up the bulk of present-day Yugoslavia.

In Bonn, meanwhile, representatives of the KLA announced Sunday that the group's goal was to create an independent state made up of the "Albanian lands of Kosovo, Macedonia and Montenegro."

A KLA spokesman, Jakup Krasniqi, told the German television station Sat. 1 that the group aimed to "reunite" the three regions.

Macedonia is a former republic of Yugoslavia that declared independence in 1992. Montenegro, along with Serbia, makes up what remains of the former Yugoslavia.

Kosovo, Montenegro and Macedonia all have ethnic Albanian communities. Taken together, they border the northern and eastern flanks of Albania.

Mr. Krasniqi said the KLA was formulating its political aims, which would be published soon in a declaration of the organization's principles. The favored option of many Western leaders — autonomy for Kosovo, but without full independence — is not an acceptable compromise, he said.

In a statement published Saturday the KLA refused to recognize the authority of a Kosovo Albanian parliament elected in an unofficial vote, or of its moderate leader, Ibrahim Rugova.

The KLA wants a national council comprising all groups involved in Kosovo's struggle for independence from Belgrade, including those that did not take part in March 22 elections to create the parliament.

(AP, AFP)

Continued from Page 1



Members of a family sitting outside their shanty in Jakarta on Sunday. More than 80 million Indonesians, or 40 percent of the country's population, are living in poverty, compared with about 22 million a year ago.

KOSOVO: Fighting Over Town

Continued from Page 1

area in tractors and trucks as Yugoslav security forces and the KLA deployed snipers and heavy weapons throughout the wooded hills to battle for a third consecutive day.

An ethnic Albanian guerrilla leader said earlier that he was using heavy weapons, including rocket launchers and vehicle-mounted machine guns, to step up the nature of the fighting around Orahovac.

"These steps were taken to change the quality of the war from the countryside or urban areas," the local KLA commander said in an interview with Associated Press Television. "This is the beginning of this type of war which will end up in Pristina."

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(AP, AFP)

Continued from Page 1

er named Graham Montgomery explained that Garvagh Road had been a Protestant neighborhood, that it had been "taken over" by Catholic nationalists intent on keeping out Protestants as part of a broader territorial claim.

"We believe they won't be happy until we can't walk anywhere here, even to our own churches," he said.

Outside the church, another Orangeman displayed a list of neighborhoods throughout Northern Ireland where, he insisted, Protestants had lived until they were driven out by Catholics.

Individually and out of uniform without their bowler hats, dark suits and bemedaled sashes, members of the Orange Order are perfectly likable men. They tend to be middle-class, family-oriented and polite.

When massed for action in situations like Drumcree, however, they are menacing, marching firmly in lockstep to the rhythmic thunder of their lambent drums. These are the guys who attract scowling teenage boys.

carbs, like surly crows, flaunting bottles of beer or whiskey, which they like to hurl at reporters.

The pattern of conflict has a ritual. The Orangemen insist on marching in the Catholic area. The Catholics object. The politicians — Catholic nationalists and Protestant unionists — come out in force in support of their respective sides.

The government waffles. The Orangemen threaten to cripple Northern Ireland if they don't get their way and are sometimes backed up by pre-parade rioting by supporters, which prompts the government to let the Orangemen pass — with massive police protection, the bashing of Catholic demonstrators, and the sealing off of Catholic areas.

This, in turn, provokes provincewide rioting among Catholics.

Protestant politicians, even those with deep, private reservations about such marches, have not dared voice them. The Orangemen are a powerful political force, not because of their numbers (roughly 60,000), but because of their organization into local grass-roots lodges, their activism, their commitment and their formal link with the Ulster

Unionist Party, all of which has given them an outsized voice.

The Order has opposed all compromise of any sort on virtually any subject since its founding. It has punished Protestant leaders who disagreed, among them two Unionist party leaders, Terence O'Neill, in 1969, and Brian Faulkner, in 1974, who were forced from leadership positions in part for defying Orange wishes.

As he explained these seeming contradictions, Mr. Aroyeun's smile conveyed the certainty that the apparently complicated is in fact simple, so long as faith is strong and humility constant.

"I was chosen for this job because I respect the school's values," he said.

"Humility, learning, obedience, respect for elders and hard work. It is because I know each region's voice that I can preach to the boys. Here, we have a

relaxed attitude to religion. When my daughter said she wanted to marry a Christian, I voiced no objection at all."

At another school, the Patterson Baptist Memorial School, named after an American missionary, Ira Patterson, a 14-year-old born into a Muslim family explained that he had just converted to Christianity. "When I told my father that I wanted to become a Christian," Adeniran Adedodji said, "he just said, 'God Bless you.'"

Such religious tolerance is typical of the Yoruba, who move easily between religious labels that have less solemn meaning than the allegiances of blood, tribe and town. Mr. Abiola also attended chapel every morning and continued to sing Christian hymns while remaining a Muslim.

"Here, nearly every home is part

BRIEFLY

11 Killed in Attack By Algerian Rebels

ALGIERS — Muslim rebels cut the throats of 11 people in a village south of Algiers, government forces said Sunday. The massacre at Rebaia village in Medea province, 70 kilometers (45 miles) south of the capital late Saturday came just four days after at least 13 villagers died in a similar massacre.

In another attack, Muslim rebels, throwing grenades and firing automatic assault rifles, killed at least 15 soldiers and wounded 20 others when they stormed a military barracks Friday in the western region of Chlef, the pro-government daily *Al Aci* said Sunday.

Al Aci also reported that two children, who were wounded in a bomb explosion on a beach in Algiers, died from injuries at a hospital. The children were among at least 15 civilians wounded in four bombings Friday in Algiers and a neighboring province, according to newspaper and official reports.

Meanwhile, security forces discovered two mass graves in Algeria's Bamine Forest this week. *El Khabar* daily said. One grave contained 31 corpses of suspected Muslim rebels and the other the corpses of six girls abducted by rebels, it said. (Reuters)

Rwandans Sentenced To Death in Genocide

KIGALI, Rwanda — A Rwandan court has convicted four people on charges of genocide and sentenced two of them to death, the state-run Rwandan radio reported.

Euphrasie Kamatamu, 54, a former councilor, was convicted of organizing the killings of minority Tutsi and politically moderate Hutu in the Rwandan capital, Kigali, during the 1994 genocide of more than 500,000 people by the Hutu government.

Miss Kamatamu and her husband, Thomas Habayarima, were sentenced to death Friday after being found guilty of drawing up death lists, distributing weapons to Hutu killing squads and manning roadblocks so no Tutsi could escape during the 90-day slaughter.

The other two convicted, a friend of Miss Kamatamu and her personal guard, received life sentences.

When Tutsi-led rebels won power in July 1994, Miss Kamatamu and her husband fled to Zaire, now Congo. The couple returned to Rwanda in November 1996 after the Rwandan-backed rebels in eastern Zaire dismantled refugee camps there, and Miss Kamatamu turned herself in to Rwandan authorities. (AP)

NIGERIA: Anger Shatters Tribal Traditions After Abiola's Death as Palaces Are Burned

Continued from Page 1

bright to rule over everyone."

Mr. Aroyeun was referring to the northern Hausa and Fulani tribes, which have tended to dominate the country's successive military governments. It was a northern general, Ibrahim Babangida, who canceled the 1993 election, and another, the late Sani Abacha, who imprisoned Mr. Abiola in 1994.

International Herald Tribune

Published with THE NEW YORK TIMES and THE WASHINGTON POST

Transforming Ulster

When a television interviewer asked Chrissie Quinn if she thought the firebombing that killed three of her sons in Northern Ireland would change anything there, her answer was "no." Her pessimism is understandable but unwarranted. The death of her sons, for which seven Protestants have so far been arrested, may help transform Northern Ireland, and for the better. The reason is not just that the public is horrified. It is also that the peace process is working, giving the region and its leaders an alternative to violence.

The July 14 firebombing came during the tense season of Protestant marches, some of which go through neighborhoods now heavily Catholic. Britain's new parades commission, made up of Protestants and Catholics, barred the Orange Order from taking its July 5 Parades march through a Catholic area, the scene of clashes in the past.

When the police blocked the road, the Order refused to retreat, and young Protestant militants attacked the police. After the Order's eviction, police found weapons caches. Last year a similar ban ignited five days of Protestant riots. Protestant political leaders supported the Orange Order, and the British gave in, which touched off two days of Catholic rioting.

This year the ban and bombing could have sparked a similar wildfire. They

—THE NEW YORK TIMES

Starr's Judgment

U.S. Chief Justice William Rehnquist has rejected the administration's request to block further grand jury testimony by Secret Service agents pending Supreme Court review of the issue. Following the ruling, independent counsel Kenneth Starr summoned the first agents to the grand jury.

Justice Rehnquist's move was hardly a surprise given the unanimity in the lower courts that the Secret Service's fears were overblown and its claims of privilege therefore uncalled for. First, a district court judge rejected the claimed privilege. Then, a three-judge appeal panel affirmed that ruling, noting: "We do not think ... that the Secret Service has shown with the compelling clarity required by [the law] that failure to recognize the proposed privilege will jeopardize the ability of the Secret Service effectively to protect the president."

On Thursday the full appeals court refused to revisit that and specifically mentioned that "no judge on the court has even requested a vote" on whether to rehear the matter. The court also wrote that: "the Justice Department's likelihood of success before the Supreme Court is insufficient to warrant further delay in the grand jury's investigation."

Then, to top it off, the chief justice agreed, declining to extend the stay on testimony by the agents and mentioning, as well, that the opinion of the Court of Appeals seemed to him "cogent and correct." In all, 11 judges up and down the federal ladder have considered either the Secret Service's privilege claim or its request for delays while the larger matter gets sorted out. Not one of these judges has either held the privilege legitimate or found the danger to the life

—THE WASHINGTON POST

Unite Against the Bug

Millennial scenarios continue to fly among those who think the advent of the year 2000 and its computer programming "bug" will bring mechanical meltdown, social chaos and global recession. Those who take a more moderate view but are nonetheless concerned about the problem — such as Senator Robert Bennett, Representatives Steven Horn and Constance Morella and the administration point man John Koskinen — have sought to draw attention to the problem without sparking outright panic.

What has been missing, all these players agree, is the kind of focused urgency that can come only from emphatic calls to action from CEOs or other people at the top of departments, businesses or other management pyramids — people who not only can urge other managers to plan for the big deadline but also can decide what needs doing and make it happen.

The top man in the federal government's own pyramid, President Bill Clinton, finally stepped up to that obligation last week when he told a business audience at the National Academy of Sciences that the Year 2000 bug is

—THE WASHINGTON POST

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You Can't Leave Home Again: Life With the Net

By Thomas L. Friedman

WASHINGTON — So I was talking on the phone to my mother out in Minnesota the other day, and she sounded upset. "What's wrong, Mom?" I asked.

"Well," she said. "I've been playing bridge on the Internet with three Frenchmen and they keep speaking French to each other and I can't understand them." When I chuckled at the thought of my card-shark mother playing bridge with three Frenchmen on the Net, she took a little umbrage. "Don't laugh," she said. "I was playing bridge with someone in Siberia the other day."

There are those who argue that the Internet and globalization are overrated, and there are those who argue that they are underrated. I think Bill Gates has

this one right. In the short run they are

probably overrated, but in the long run

their impact on our lives and nations is

vastly underrated. Herewith a few ran-

dom conversations from a recent trip to

Italy, Albania, India, Jordan and Israel.

At a conference in Italy, I ran into John Wall, president of Nasdaq International, the stock exchange. He tells me 20 percent of all Nasdaq's business now

comes from people sitting at home and

trading stocks and bonds via the Internet

through small brokerage Web sites.

"And Merrill Lynch and the other big boys aren't even in this business yet," says Mr. Wall. "Once they get into it, we anticipate that 70 percent of our trades will be over the Internet."

To better empower Internet investors, Nasdaq has created a Web site where you can get the latest Securities and Exchange Commission filing of any Nasdaq-listed company, its latest quarterly earnings report or the consensus opinion about its stock from top Wall Street analysts. This will empower individual investors, as never before, to sit at home and move their money around, rewarding solidly performing companies and punishing the weak — with the click of a mouse.

John Burns, the New York Times

New Delhi bureau chief, tells me a

delightful story about his 70-year-old

Indian cook. Although John has four

satellite dishes on his rooftop ("I'm

practically running an uplink station,"

he says), he still could not get the

World Cup matches from Indian TV.

When he was complaining about this

over breakfast, his cook invited John to

come over to his house next door.

When they entered, John found the cook's illiterate wife watching the BBC. "I said, 'What's she doing? She doesn't even speak English.' The cook answered: "She's learning." The cook explained that a friend of his had started a "private" cable system and strung cable into his house along the local telephone poles — for \$3.75 a month.

"Then he hands me the television remote," says John, "and with increasing astonishment I start at channel 1 and click all the way to channel 27. He had television stations from China, Pakistan, Australia, Italy, France. With all my satellite dishes, I had only 14 channels."

I'm having a chat in Amman with Jordan's top newspaper columnist, Rami Khouri. I ask him what's the talk of Amman, and he says, "Amman was just added to CNN's worldwide weather highlights." This means Amman has arrived in some way, he explains. It means someone at CNN thinks Amman is now important enough for tourists and business executives to need to

know its weather.

In Milan I meet Jules Kroll, who heads a leading global corporate investigative firm. He tells me his team has just cracked the case of a 14-year-

old from Sweden who was using the Internet to threaten to blow up a company in San Francisco whose products the youth objected to. The company thought it was an idle threat until the youth said he would bring down part of the company's computer system — and did.

I am interviewing I.K. Gujral, India's 78-year-old former prime minister, about how globalization is affecting his country's culture.

"My granddaughter is 4," he says. "She is always talking about bubble gum, not Indian food, or she says, 'I don't like Pepsi, I like Coke.' She even speaks English more often than Hindi. I asked her one day why she doesn't speak to me in Hindi, and then she went to her mother and asked: 'Doesn't grandfather speak English?' The other day my granddaughter said she wanted pizza. So her grandmother said that she would make her a pizza. My granddaughter said, 'No, no, I want Pizza Hut.'"

Thomas Wolfe said you can't go home again. He was wrong. In the era of the Internet and globalization, in the era of cultural homogenization and universal connectivity, you won't be able to leave home again.

The New York Times

Next to Subcontinent Face-Off, the Cold War Looks Safe

By Ramesh Thakur

TOKYO — U.S. Deputy Secretary of State Strobe Talbott will resume talks in New Delhi Monday with Jaswant Singh, the Indian government's point man in defending its nuclear tests to the world.

Their meeting comes amid signs of increasing realism in Washington about the rationale behind the tests, and about the limits of international sanctions as an instrument for effecting a policy change in New Delhi.

In turn, two months after their tit-for-tat nuclear weapons tests, it is dawning on many Indians and Pakistanis that their net security has been degraded, their economy damaged, and their status diminished.

Mr. Talbott would do well to impress upon his Subcontinental hosts just how dangerous the nuclear relationship between India and Pakistan is compared with that between the Soviet Union and the United States in the Cold War.

Cold War deterrence was it-self more unstable than realized at the time.

In the 1962 Cuban missile crisis, for example, the U.S. strategy was based on the best available intelligence, which indicated that there were no nuclear warheads in Cuba. In fact there were more than 100 warheads already stationed there, and the local Soviet commander had taken them out of storage to deployed positions for use against an American invasion. The thought of India-Pakistan relations being as stable as Cold War deterrence is not very reassuring.

The geostrategic environment of the Subcontinent has no parallel in the Cold War. India and Pakistan share a long border; the United States and the Soviet Union did not. This dramatically shortens the time frame either country would have to decide,

whether to a preemptive strike or use nuclear weapons.

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the source of two of the

three wars India and Pakistan

have fought since their inde-

pendence from Britain in 1947,

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Soviet Union had no direct territorial dispute.

Contiguity permits India and

Pakistan to meddle in each other's territory on a scale that was

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HEALTH/SCIENCE

TOMORROW'S
SCIENCETreatment Lags for Hypertension
Doctors Rethink Their Tactics for Drug TherapiesBy Denise Grady
New York Times Service

NEW YORK — Back in 1972, when the National High Blood Pressure Education Program was established, its public health message was simple and compelling: Treating high blood pressure would save lives. It was right. The program has been credited with substantially lowering death rates from stroke and coronary heart disease.

Since 1993, though, the news has been less encouraging. The stroke rate has been creeping up again, and not just because Americans are aging. The decline in heart disease, never as great as experts had expected, seems to be leveling off, and kidney disease and congestive heart failure, both linked to hypertension, are on the rise.

Dismayed, scientists have begun to re-examine the treatment of high blood pressure, asking how much of the ominous trend can be attributed to lackadaisical doctors and patients who do not take hypertension seriously enough, and how much to the limitations of treatment itself.

"We are struggling now with the concept that we are not doing a good job," said Dr. Franz Messeri of the hypertension department at the Ochsner Clinic in New Orleans. "We know we can reduce blood pressure, we know it's beneficial to do so, and still it's not done."

Part of the problem is that of the 50 million Americans estimated to have high blood pressure, only 34 million know it.

Just 27 million seek treatment, and only half of them get their blood pressure under control, which is defined as below 140/90 millimeters of mercury. Those figures, from a survey taken from 1991-94, show people to be worse off than three years before, when awareness, treatment and control were all slightly higher.

"We home in on the public and say they're not taking their pills," said Dr. Marvin Moser, clinical professor of medicine at Yale University Medical School. "But I think we should be paying more attention to the problem of adherence to treatment guidelines by the

doctor." Many doctors, he said, are not following those guidelines.

That means many patients are not getting the best treatment for their high blood pressure and its complications, other researchers agreed. But experts also acknowledge that their research has not given doctors all the information they need to make the best decisions about treatment.

Two important issues have not been resolved. First, it is not known whether all drugs that lower blood pressure also protect against heart attack and stroke. Second, more studies are needed to compare different drugs and determine whether some work better than others in particular types of patients.

Blood pressure is the force exerted by blood as it pushes out against the walls of the arteries. When pressure surges too high, it can damage the vessels and lead to arteriosclerosis, heart disease, stroke and kidney failure.

Doctors define optimal blood pressure, associated with the lowest cardiovascular risk, as below 120/80 millimeters of mercury. The first number, the systolic pressure, is measured while the heart is contracting, and the second, the diastolic reading, is taken while the heart is relaxing between beats.

Once the pressure climbs past 120/80, the risk of cardiovascular disease begins to rise. But the condition is not called hypertension until the pressure exceeds 140/90, and then the goal of treatment is to get it below that cut-off point. Few patients ever make it back into the charmed zone below 120/80.

People with mild hypertension and no other risk factors are often advised to try lowering it through exercise and diet for six to 12 months. Others are given medicine. The first choice for most patients, according to national guidelines, should be diuretics and beta blockers, though doctors can use other classes of drugs if the first try does not work.

But basing treatment decisions solely on the numbers read off a sphygmomanometer, the familiar cuff used to measure blood pressure, can be a mistake. Two people may have the same high blood pressure reading for different reasons, and their odds of developing heart disease may also differ, depending on other risk factors like

smoking, age, obesity, race, high cholesterol and triglycerides, abnormal glucose metabolism, kidney problems and enlargement of the heart.

Doctors who focus on blood pressure alone may neglect other conditions that still pose risks for heart disease, said Dr. Michael Alderman, professor of medicine and epidemiology at Albert Einstein College of Medicine in New York. He labeled that approach simplistic and said therapy should be tailored to individual needs.

"It's much more complicated than just measuring the blood pressure and giving people pills," Dr. Alderman said.

Although the most recent guidelines from the national program recommend certain types of drugs specifically for people with problems like diabetes, Dr. Alderman said more research is needed to fine-tune such advice.

There are doctors who specialize in hypertension, and enterprising patients who seek them out, but most people depend on internists and family practitioners, who may or may not be well versed in the 65 different drugs and 29 combination pills used to treat high blood pressure.

MOREOVER, there are differences of opinion over the best way to lower blood pressure. Dr. Moser of Yale University, for instance, said he had been trying for years to convince his colleagues that diuretics should be used more often, alone or combined with other drugs. Also known as water pills, diuretics reduce blood volume and lower blood pressure by increasing the excretion of water and salt through the kidneys. They also relax blood vessels.

The information that doctors and patients want most — data on which drug really is best for which patient — has been slow in coming. Until recent years, relatively few studies were done to compare drugs, largely because the pharmaceutical industry, which finances much of the research on hypertension drugs, was not eager to pay for them.

"Now, they're doing the studies because there's pressure to do them," Dr. Moser said, noting that about 30 comparative trials were under way, with results expected in several years.

Causes
Several systems go awry to produce hypertension. These systems are divided into six major classes, which act at different points in the cascade of events that drive up blood pressure.

Components
More than 50 different drugs are used to treat hypertension. They are divided into six major classes, which act at different points in the cascade of events that drive up blood pressure.

IMMEDIATE CAUSES

Excess of fluid in the circulatory system, pushing too hard on blood vessels.

Vessels constrict or become stiff.

Heart may beat too hard, pumping out extra blood with each beat.

UNDERLYING CAUSES

The renin-angiotensin-aldosterone system

When blood pressure falls, the kidneys release an enzyme called renin (1) into the blood stream. Renin contributes to the formation of angiotensin I (2), an inactive protein that rapidly converts into angiotensin II (3), which constricts blood vessels and increases blood pressure.

WHAT THIS NUMBERS MEAN

The blood pressure test measures systolic pressure (when the heart beats) and diastolic pressure (when the heart rests between beats). For example, in a typical blood pressure reading of 120/78, the first number is the systolic pressure and the second is the diastolic pressure.

WATER
Water retained increases the volume of blood.

ALDOSTERONE

Aldosterone

Water retained increases the volume of blood.

ANGIOTENSIN II

Angiotensin II receptor blockers

Relax blood vessels by blocking the action of angiotensin II.

ADRENAL GLAND

Adrenal gland

Angiotensin II receptor blockers

Relax blood vessels by blocking the action of angiotensin II.

KIDNEY

Kidney

Angiotensin II receptor blockers

Relax blood vessels by blocking the action of angiotensin II.

SYMPATHETIC NERVE SYSTEM

Sympathetic nerve system

Sympathetic nerves

Go from the brain to all parts of the body, including the arteries. The nerves can drive blood pressure up in response to a threat or other stimuli.

BLADDER

Bladder

Diuretics

Increases the excretion of water and salt through the kidneys, lowering blood volume and blood pressure.

SYSTOLIC

Causes the muscles in the walls of the blood vessels to relax, allowing the arteries to dilate.

DRUGS MOST COMMONLY USED FOR HYPERTENSION AND HOW THEY WORK

Adrenergic inhibitors (includes alpha blockers and beta blockers)

Beta blockers slow the heart and reduce the force of its contractions; alpha blockers relax blood vessels.

Calcium channel blockers

Relax blood vessels.

ACE inhibitors

Relax blood vessels by turning off production of angiotensin II, a chemical that causes the arteries to constrict.

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CAPITAL MARKETS ON MONDAY

Bonds' Future Rests on Greenspan and New Leadership in Japan

Bloomberg News

NEW YORK — The fate of the U.S. bond market this week lies with two men: the Federal Reserve chairman, Alan Greenspan, and whomever Japan's ruling party names as prime minister.

Mr. Greenspan could move the market Tuesday with his semiannual testimony to Congress on the economy and interest rates. On Friday, results of a battle for leadership of Japan's ruling Liberal Democratic Party — and the post of prime minister — may spur bond trading by giving investors clues to the pace and extent of reforms in Japan.

The 1% point decline in 30-year Treasury bonds last week, the biggest in more than six months, came while many investors are worried that Mr. Greenspan's comments or the selection of Seiroku Kajiyama, a supporter of banking reform in Japan, may lead to further bond losses. The yield on the bench-

mark 30-year Treasury bond ended last week at 5.74 percent, up from 5.62 percent at the end of the previous week.

Others are betting that Mr. Greenspan will cheer investors, and that Japan's

U.S. CREDIT MARKETS

highest post will go to Keizo Obuchi, who is not expected to show much enthusiasm for sweeping reforms that could revive the world's second largest economy.

"The bond market looks good," said Ned Riley, chief investment officer at BankBoston, which oversees \$30 billion. "I would suspect that Mr. Greenspan's testimony is going to be upbeat, while problems in Asia aren't going to disappear regardless of what fiscal measures are taken in Japan."

The trigger for the drop in the bond

market last week was a falling dollar. The U.S. currency dropped against the yen amid speculation that a new Japanese prime minister will take steps to stimulate the ailing Japanese economy and reform its banking system. Ryutaro Hashimoto resigned as prime minister Monday after his party suffered big losses in weekend elections.

"The market's focused on what is or is not going to happen in Tokyo," said George Adell, trader at Philadelphia-based Starboard Capital Markets Inc. "We're doing the Japanese routine — who's in, who's out; will they, won't they?"

Bond investors worry that aggressive moves by Japan's new leaders to end its recession would reduce demand for less risky assets such as Treasury bonds.

The so-called flight to quality from tumbling Asian markets helped drive 30-year yields to as low as 5.56 percent on

July 6 — the lowest since the government began selling that maturity regularly in 1977. Returning stability in Russia following loan promises from the International Monetary Fund may also stem demand for Treasuries, investors said.

"There's a slightly better than 50-50 chance that this election in Japan and the IMF bailout in Russia could mark a turning point," said Jim Somers, who man-

ages \$2.5 billion of bonds at Martindale, Andres & Co. in West Conshohocken, Pennsylvania. "The market could begin to lose its bid from overseas investors."

Bullish bond investors counter that even if safe-haven buying dries up, yields will fall as Asia's slump puts a drag on U.S. growth, keeping inflation from quickening. That's where Mr. Greenspan comes in.

The Federal Reserve chairman, while recognizing that the central bank must stay on guard for signs of rising prices, will probably point to recent indications that the U.S. economy is losing steam, investors said. The Fed has left its target for bank lending rates unchanged at 5.5 percent since March 1997, partly in recent months because it expects Asia's woes to curb U.S. growth.

INVESTING

When Stock Buybacks Sound Alarms

By Gretchen Morgenson
New York Times Service

NEW YORK — For years, share buybacks have been an investor's best friend. Even though buying back stock may not be the most inspired use of a company's cash, it has typically sent stock prices higher.

Some recent announcements, however, suggest that these buybacks are no longer an automatic victory for investors. With stocks at record levels, aggressive repurchase plans look increasingly dicey.

Consider two recent buyback announcements. On May 12, Primark Corp., a supplier of information, analysis and software to financial, corporate and government

customers, announced that it would buy back 4 million of its 27 million shares. The company, based in Waltham, Massachusetts, agreed to pay \$34 to \$41.50 a share. The stock closed at \$34.50 on that day. On Friday, the stock closed at a 52-week low of \$30.125.

A similar move befell stockholders in Samsonite Corp., based in Denver. Since the company's June 29 purchase of 51 percent of its shares, Samsonite's stock price has fallen 21 percent, to \$37.375.

Some buybacks still produce a bounce

in the Buyback Letter and president of Fried Asset Management in Malibu, California, said that roughly 5 percent of buybacks come from big-capitalization, household-name companies. The rest are made by smaller companies that are not well capitalized.

Many investors believe that stock buybacks reduce the number of shares outstanding, leading to higher per-share earnings. But some buybacks merely offset the dilution caused by employee stock option awards, producing no real effect.

Share repurchases, often seen as a no-lose proposition for investors, can weaken a company's financial position.

What makes a buyback bad?

Carol Levenson, editor of Gimme Credit, a Chicago-based service that provides corporate bond advice to institutions, says that the worst buyback is one in which a company borrows to pay for it. Both Primark and Samsonite borrowed to complete their buybacks.

A Dutch auction, as conducted by Standard & Poor's for Samsonite, is also hazardous, Ms. Levenson says. That is because companies that make such offers are locked into buying a set

of shares, even if the price falls. The company has spent \$2.4 billion to buy back 27 percent of its shares outstanding since 1991. On Friday, the stock closed at a 52-week low of \$38.50.

Another tip-off to a potentially dicey buyback? Ms. Levenson says that companies planning to buy back 15 percent or more of their stock will get a hard look from the debt-rating agencies. And Mr. Fried recommends avoiding companies that buy back stock even as it trades at 25 or 30 times earnings.

Mr. Fried also steers clear of companies that are making large share repurchases while insiders are selling heavily.

At some companies, a stock buyback can signal a significant change in management strategy. If a company's managers have been working to clean up the balance sheet but suddenly announce share repurchases, Ms. Levenson says, they may have shifted priorities from putting the company on sound financial footing to raising its stock price.

Delta Air Lines Inc. may be such a case. Last September, \$5.6 billion of Delta's senior debt was upgraded by Standard & Poor's from junk status to investment grade. S&P cited the company's strong revenue growth, increased cash flow and cost-cutting mea-

asures. Like all the airlines, Delta has benefited from a boom in business and leisure travel and from low oil prices.

On Tuesday, Delta announced it would buy back \$750 million of its shares — some 7 percent of its stock outstanding. Delta shares rose almost 5 percent on the news, setting a record high that day of \$142.1875. They have since fallen back to \$132.50.

To Ms. Levenson, the buyback suggests that cleaning up the balance sheet is no longer the top priority of Delta's management. Delta may be able to raise its credit quality further because of improving fundamentals; however, the airline business is notoriously volatile. In such a situation, she said, "I advise bondholders not to look for further upside and to watch for any shock to the system, because these companies don't have the financial flexibility that they would have had, had they paid down their debt."

New International Bond Issues

Compiled by Paul Floren

Issuer	Amount (millions)	Mot.	Coup. %	Price	Price end week	Term	
Floating Rate Notes							
Bank of Scotland Treasury Services	\$400	2000	Flor	100.09	—	Interest will be 3-month Libor. Noncallable. Fees 0.10%. (Barclays Capital)	
Bank of Scotland Treasury Services	\$350	2001	Flor	100.055	—	Interest will be 3-month Libor. Noncallable. Fees 0.125%. (Barclays Capital)	
Colonial Finance	\$150	2005	0.45	99.771	—	Over 3-month Libor. Noncallable. Fees 0.25%. (J.P. Morgan)	
Countrywide	\$200	2003	0.125	99.88	—	Over 3-month Libor. Callable at par in 2001. Fees 0.15%. (Worrell Dillon Read)	
Deptco Finance	\$500	1999	0.0255	100.0322	—	Under 3-month Libor. Noncallable. Fees 0.075%. (Credit Suisse First Boston)	
HypothekenBank in Essen Capital One Bank	\$500	2001	0.40	99.855	—	Issued in four tranches of C\$25 with interest 0.4% to 0.4% over Libor. Noncallable. Fees not disclosed. (Barclays Capital)	
HypothekenBank in Essen	\$125	2000	0.05	99.95	—	Under 3-month Libor. Noncallable. Fees 0.10%. (Merrill Lynch)	
Bank of Nova Scotia	FF1,000	2000	0.01	100.10	—	Over 3-month Libor. Noncallable. Fees 0.10%. (Merrill Lynch)	
Findomestic	ECU311	2003	0.17	100	—	Issued in two tranches of 200 million each at 0.17% over 3-month Libor and 11 million each at 0.22% over 3-month Libor. Noncallable. Fees 0.25%. (Paribas)	
Interbanc	ECU300	2003	0.1875	99.89	—	Over 4-month Libor. Noncallable. Fees 0.15%. (ABN Amro)	
Fixed-Coupons							
General Motors Acceptance Corp. Australia	\$200	2001	6	101.02	99.82	Reoffered at 99.87. Noncallable. Fees 1.45%. (ABN Amro)	
Nestle Holdings	\$250	2003	5.5%	101.291	99.97	Reoffered at 99.66. Noncallable. Fees 1.1%. (Worrell Dillon Read)	
Associated British Ports	\$120	2008	6%	99.409	—	Noncallable. Fees 0.45%. (Barclays)	
Deptco Bank	DMS300	2008	4%	98.47	—	Noncallable. Fees 0.25%. (Commerzbank)	
Gulf Oil	DM500	2008	5%	98.52	—	Noncallable. Fees 0.55%. (Goldman Sachs)	
L-Bank	DF250	2002	4%	100.983	99.70	Reoffered at 99.53. Noncallable. Fees 0.20%. (ING Barings)	
Argentile	ECU500	2010	8%	99.927	—	Noncallable. Fees 0.75%. (Worrell Dillon Read)	
Bank Nederlandse Gemeente	ECU500	2005	5	103.584	101.85	Reoffered at 102.009. Noncallable. Fees 1.45%. (Worrell Dillon Read)	
Cyrus	ECU350	2008	5.5%	99.901	99.90	Noncallable. Fees 0.225%. (ABN Amro)	
Paribas	ECU600	2008	5.5%	101.428	99.95	Reoffered at 99.67. Noncallable. Fees 0.25%. (Paribas)	
Volencia	ECU205	2005	4%	99.68	99.80	Noncallable. Fees 0.35%. (Deutsche Bank)	
PepsiCo	Y36,000	1999	4.10	100	—	Noncallable. Fees 1.1%. Denomination 500,000 yen. (Deutsche)	
Correction	Rabobank	\$100	2008	6 1/4%	101.50	—	Callable at par in 2000. Fees 1.1%. (Morgan Stanley Inst.)

Last Week's Markets

Stock Indexes	Money Rates	Eurobond Yields	Weekly Sales	July 16
United States	July 17 July 10 % Chg.	July 17 July 10 % Chg.	July 17 July 16 % Chg.	July 16
DOJ Index	9,200.00 9,100.00 + 2.2	5.00 5.00 0.0%	5.00 5.00 0.0%	5.00 5.00 0.0%
DJ Total	3,452.54 3,357.57 + 2.65	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
S & P 500	1,020.00 1,010.00 + 1.0	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
S & P 100	1,388.00 1,363.00 + 1.85	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
NYSE-30	2,000.00 1,980.00 + 1.0	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
Japan	Nikkei 225 14,571.75 14,690.00 + 2.59	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
London	Bank of England 7.00 7.00 0.0%	ECU 100 5.00 5.00 0.0%	5.00 5.00 0.0%	5.00 5.00 0.0%
United Kingdom	7.00 7.00 0.0%	ECU 500 5.00 5.00 0.0%	5.00 5.00 0.0%	5.00 5.00 0.0%
Germany	DAX 6,147.87 5,982.42 + 2.77	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
Hong Kong	Hang Seng 8,221.92 8,205.77 + 5.1	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
World	MSCI 1,322.89 1,105.49 + 2.49	London p.d. BILS 293.00 290.68 + 1.10	5.25 5.25 0.0%	5.25 5.25 0.0%
Euromarts				
Secondary Market				
United States	July 17 July 10 % Chg.	July 17 July 16 % Chg.	July 17 July 16 % Chg.	July 16
DOJ Index	9,200.00 9,100.00 + 2.2	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
DOJ Total	3,452.54 3,357.57 + 2.65	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
S & P 500	1,020.00 1,010.00 + 1.0	5.25 5.25 0.0%	5.25 5.25 0.0%	5.25 5.25 0.0%
S & P 100	1,388.00 1,363.00 + 1.85	5.		

Paris Seeks Alternative to London-Frankfurt Bourse

Bloomberg News

PARIS — The Paris Bourse is planning an alliance with European exchanges left out of the partnership announced between the London Stock Exchange and Frankfurt's Deutsche Boerse AG, the Paris chairman said.

Jean-François Theodore, chairman of SBF-Paris Bourse, which owns the French stock and derivatives markets, said that by September his company would present plans to form a rival multinational exchange that would include Spain, Italy, the Netherlands and Belgium. Paris is also discussing closer ties with the New York Stock Exchange, which might also be linked to this rival Euro market.

"The European market will be sufficiently large, deep and healthy for us to see two rival trading networks develop side by side, which will be beneficial for most market partici-

pants," Mr. Theodore said in an interview with the French daily *Le Figaro*.

The London Stock Exchange and Deutsche Boerse AG, the two largest European exchanges, said July 7 they would end decades of rivalry and jointly develop a single market with an electronic trading system. The announcement spurred almost every other European exchange to begin talks on an alternative alliance.

The London-Frankfurt alliance had offered Paris a 20 percent stake, which the French found insufficient.

Mr. Theodore said the British and German exchanges had treated other European bourses like "second-class citizens," closing the door to them for a year while working out regulatory, technical and pricing matters.

"It's unreasonable to expect us to sit by idly for one year without reacting, waiting passively to see what comes out of talks in

which we are not involved," Mr. Theodore told *Le Figaro*.

The Paris Bourse is the first to propose an alternative to the London-Frankfurt alliance. Other European exchanges are considering their options. Raymond Salet, a spokesman for the Amsterdam Exchanges, said before the Paris plan was reported that his bourse saw London-Frankfurt not as a threat "but as an opportunity."

On Thursday, Rolf Breuer, the chairman of Deutsche Boerse, said in an interview with the Milan financial daily *MF* that the success of the Frankfurt-London alliance depended on the participation of the Paris Bourse and of other European exchanges.

Mr. Breuer added, though, that shareholders in the new company "will depend on how many products each stock exchange offers the European platform."

Mr. Theodore of the Paris Bourse told the

Financial Times on the same day that Paris was not interested in joining unless the terms were changed drastically to include equal representation for Paris and other exchanges.

He said the London-Frankfurt agreement was not pan-European "but more like a duopoly," and said it had left other European exchanges "puzzled and worried."

"If the U.S. market is big enough to support two competing exchanges," — The New York Stock Exchange and the Nasdaq Stock Market — "then we can do it in Europe," Mr. Theodore said.

Mr. Theodore said the Paris Bourse and the New York Stock Exchange had been "working on an idea that goes beyond the concept of just a pan-European market, one that answers the global markets' needs by providing opportunities to trade benchmark stocks 16 hours a day."

U.S. Free-Market Missionary

Rubin Praises Africa's Course but Hears Critics, Too

By James Rupert
Washington Post Service

ABIDJAN, Ivory Coast —

In the most extensive trip to Africa by a U.S. Treasury secretary, Robert Rubin preached the Clinton administration's gospel — that free markets and good government will draw trade and investment that can build up the economies of the world's poorest continent.

Mr. Rubin was returning Sunday to Washington, ending an eight-day, five-nation visit that reinforced the themes of President Bill Clinton's African tour in March. In speeches to African policymakers, economists and business leaders, Mr. Rubin pressed African states to continue the politically difficult economic reforms that most black African states have started but many have avoided.

In South Africa, Namibia

and Mozambique, Mr. Rubin praised governments for their economic austerity and liberalization. In Kenya, he said reforms had been delayed and implied that official corruption was a root cause.

In polite tones, Africans also pressed Mr. Rubin, notably with concerns that Washington's recent emphasis on African trade and investment might mask a concern of U.S. retreat from giving economic aid to help Africa develop.

In the Ivory Coast, speaking at the African Development Bank, Mr. Rubin noted that recent reforms had helped some of the 48 nations of sub-Saharan Africa, with 16 of them averaging 5 percent annual growth between 1995 and 1997.

As a result, "investors have begun — although this is still a beginning — to take a new look" at liberalized Af-

rican economies, he said. Still, Mr. Rubin said, Africa received only 2 percent to 3 percent of the private capital invested last year for the long term in all developing countries. African governments have "an enormous amount to do" in cutting budgets and making freer, fairer markets for business, he said.

Pursuing policies for success in the global economy is exceedingly difficult," Mr. Rubin said. "But you can't, and we can't, turn away from this challenge."

Mr. Rubin outlined the African Growth and Opportunity Act, the centerpiece of the Clinton administration's African economic policy. The bill would offer increased access to the U.S. market — particularly for textiles — to African nations that liberalize their economies and politics. It has been passed by the House of Representatives and is in a

Senate committee — and Mr. Rubin said the administration was hopeful, but uncertain, of getting it passed this year.

After Mr. Rubin spoke, African Development Bank officials rose to question him, and praised the aim of opening U.S. markets to African trade. But they stressed that more economic aid — and

U.S. assistance, without specifying figures.

Still, unlike previous years, in proposing the fiscal 1999 budget, the administration failed to ask Congress to specifically earmark aid requested for Africa. Money that is not earmarked risks being rerouted to other purposes later in the spending process.

In South Africa, Mr. Rubin gave his support to the ruling African National Congress in its nuzzle with its longtime allies, the Communist Party and the labor movement. The ANC government is cutting the budget, including jobs; selling state-owned firms and pressuring unions for concessions over working conditions.

France has resisted consolidation of its state-owned defense industry, but a BAe purchase of the CASA stake could send a signal to the French government that it will be left behind unless it changes tack.

A BAe spokesman said he would not rule a purchase "in or out." A Daimler-Benz Aerospace spokesman said, "Everyone is speaking to everyone else" in Europe's defense industry.

Spain's commitment to a publicly traded CASA eliminates state-

owned Aerospatiale of France as a stakeholder. With Daimler-Benz focused on its \$40 billion purchase of Chrysler Corp., analysts view BAe as the most likely buyer.

BAe is a partner of BAe, Daimler-Benz Aerospace AG of Germany and Aerospatiale SA of France in the civilian aircraft manufacturer Airbus Industrie. It also is a partner of BAe and the unit of Daimler-Benz AG in making the Eurofighter military jet.

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A successful CASA sale would bring the Continent closer to European leaders' goal of a single company capable of matching larger U.S. rivals such as Lockheed Martin Corp. and Boeing Co.

The purchase of a CASA stake would "strengthen BAe's hand quite significantly and perhaps spur

on consolidation," said Guy Hewett of Charterhouse Tilney Securities.

The Swedish aircraft-maker Saab AB provided a model in June when it sold a minority stake on the stock market as well as 35 percent stakes to BAE.

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British Aerospace Deemed Likely Buyer of CASA Stake

Bloomberg News

LONDON — British Aerospace PLC is likely to buy a stake in Construcciones Aeronáuticas SA, the state-owned Spanish aerospace company, driving consolidation of Europe's fragmented defense industry, analysts said.

The Spanish government said Friday that it planned to sell a stake in Construcciones Aeronáuticas, or CASA, to a corporate buyer in order to strengthen a subsequent public offering of shares in the company, which employs 8,200 people and has annual sales of about \$670 million.

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Continued on Page 15

Sellers' Market For Mound Help

Top Clubs Seek Deals Before July 31

By Murray Chass
New York Times Service

NEW YORK — Line up the usual suspects, toss them into the air and see where they land. Texas? Anaheim? Cleveland? Boston? San Francisco?

It is that time of season, when contending teams are desperate for a starting pitcher or two and the deadline for trading without waivers looms. That deadline is July 31, meaning that some players can expect to change addresses between now and then, more likely closer to then.

Pete Hamisch, Tim Belcher, Bob Tewksbury, Mike Morgan, Jaime Navarro, Juan Guzman, Carlos Perez, Todd Stottlemyre and Randy Johnson. Some of those pitchers could wind up in a division or wild-card race.

Johnson is the most glamorous and most talented of those, but he is not going anywhere unless Seattle's ownership removes the shackles from the wrists of the general manager, Woody Woodward.

The movement of the others depends on a variety of factors: whether they sign a new contract, whether their team sees itself as a contender, whether the offer is tempting enough. Other players — relief pitchers and hitters — could be traded, too.

But the most serious shortage on contending teams seems to be — no surprise — starting pitching. Consider the Anaheim Angels and the Texas Rangers, for example. They are scrapping with each other for the American League West championship, and both need pitching help even though the Rangers acquired Esteban Loaiza from Pittsburgh on Friday.

"I am doggedly going to pursue anybody who has anything we like," said Bill Bavasi, the Angels' general manager. "I have to keep on their tail, because on the 28th or 29th they might call back and say, 'We've changed our mind — let's make a deal.' If I don't continue to be a pest, I might miss out."

Doug Melvin, the Rangers' general manager, has a board on a wall of his office. One column is a sellers' list; that is, the clubs that might be willing to trade players and those that are pursuing players. Melvin's Rangers and the Angels are listed among the buyers.

"We're both looking for pitchers," Melvin said. "There's not a lot of quality pitching out there. You might have to take a chance on getting a good arm and hope he

wins some games."

The Rangers jettisoned one starter last month, inducing St. Louis to take Bobby Winkler by offering to pay all but \$300,000 of his \$3.25 million salary. John Burkett has a 5-10 record, Darren Oliver a 5-7 mark. The team's two most effective starters, Rick Helling and Aaron Sele, gave up a combined 13 earned runs and 19 hits in eight and two-thirds innings on successive nights last week.

The Angels have had most of their rotation on the disabled list much of the season. Kean Hill and Jack McDowell are still there; Allen Watson rejoined the team after the All-Star Game break, though not in the rotation. The Angels are trying to win with a rookie, Jarrod Washburn, and a reclamation project, Steve Sparks.

It is conceivable that the two teams could pursue the same pitcher and wind up in a bidding war. "If we do, we probably won't know it," Bavasi said. "It's very seldom the other general manager tells you who you're bidding against. In this case they're likely to drop a hint to make me and Doug nervous. If we both bid foolishly, I hope they'll know it."

It's a sellers' market. Sometimes, though, the sellers do not want to sell. That is the Mariners' stance on Johnson.

"Our position," Woodward said, "is the same as it has been since we announced that we would not be trading Randy and that we were to have no further comments."

Until that June 2 announcement,

the Mariners were prepared to trade Johnson to Los Angeles for Ismael Valdes and Wilton Guzman plus a relief pitcher, or to another team that might have jumped in with a better offer. But the owners, who do not intend to sign Johnson, inexplicably yanked him off the market, and he remains in that lame-duck state. If the Johnson embargo is lifted, the Mariners are sure to receive a flurry of offers instantly.

Many clubs have also been waiting for the Cincinnati Reds to make a decision on Pete Hamisch.

"On Aug. 1, either he will

have signed an extension with us or he will have been traded," said the general manager, Jim Bowden.

"We've had serious trade discussions with eight major league teams, six of them contenders, regarding Pete, and we're weighing those deals as compared to signing him."



Longer version. The Twins' catcher, Javier Valentin, right, moving in to put the tag on Oakland's Rafael Bournigal at the plate.

Tigers Rally in 8th to Down Bosox

The Associated Press

Damion Easley and Bobby Higginson each drove in a run on singles in the eighth inning to give Justin Thompson his second straight home victory as the Detroit Tigers defeated the Boston Red Sox, 3-1, on Sunday.

With the game tied, 1-1, in the eighth, Joe Randa hit a one-out single off Tom Gordon (4-3) and took third on Brian Hunter's single. Easley and Higginson then hit consecutive singles.

Thompson (9-8) struck out 10 in a seven-hitter, his fourth complete game. The left-hander's victory last Tuesday over Kansas City was his first at Tiger Stadium this season. He had lost his first six decisions at home.

Bret Saberhagen pitched seven strong innings for Boston but got his third straight no-decision. He gave up a run and five hits with a season-high eight strikeouts and no walks.

Blue Jays 3, Yankees 3 in Toronto. Jose Canseco hit two home runs, including a grand slam, and Carlos Delgado hit the first ball into SkyDome's fifth deck in right field as the Blue Jays routed New York.

The Blue Jays won twice in the three-game series. New York lost a series for only the third time this season, and has now dropped three of four games.

Canseco's sixth career slam gave the Blue Jays a 4-1 lead in the third against Andy Pettitte (12-6), who lost for the first time since May 31.

Canseco's 26th home in the seventh hit the facing of the fifth deck in left field, a 460-foot (140-meter) shot. It was his fourth multihomer game of the season and 31st of his career.

Delgado homered over the Hard Rock in right field, a 467-foot shot in the fifth. The two-run drive was Delgado's 19th homer of the season.

In the 1989 AL playoffs while playing for Oakland, Canseco became the first player to homer anywhere into the fifth

deck, connecting against Mike Flanagan.

Woody Williams (9-4) allowed three earned runs and six hits in 6 1/2 innings. He struck out three and walked five. Pettitte had his six-game winning streak broken. He gave up seven earned and six hits and seven walks in 6 1/2 innings. The left-hander struck out seven.

Tino Martinez put the Yankees 1-0 ahead in the third with a sacrifice fly.

BASEBALL ROUNDUP

Paul O'Neill hit an RBI double in the fifth that made it 4-2.

Bennie Williams singled home a run in the Yankees' seventh.

In games played Saturday:

Dodgers 10, Cardinals 2 in Gary Sheffield and Matt Luke each hit two-run homers in the eighth inning as the Los Angeles Dodgers rallied to beat the Cardinals in St. Louis.

Marlins 2, Cubs 1 in Miami. Brian Meadows pitched seven strong innings and Todd Zeile homered as Florida beat Chicago to snap a three-game losing streak.

Yankees 10, Blue Jays 3 in Bernie Williams, sidelined for more than five weeks because of a sprained right knee, homered and singled twice as New York won in Toronto. Williams, activated from the disabled list before the game, scored three runs and drove in two. Tim Raines hit a grand slam as the Yankees stopped a two-game losing streak.

Indians 15, White Sox 3 in Brian Giles drove in five runs and Travis Fryman hit a go-ahead single in the eighth inning as Cleveland blew an eight-run lead before regrouping to win in Chicago.

Twins 4, Athletics 3 in Minneapolis. Jim Lawton's second double of the game drove in Paul Molitor with the go-ahead run in the eighth inning as Minnesota came from behind to win in Oakland.

Red Sox 8, Tigers 4 in Detroit. Mo Vaughn hit his 24th and 25th home runs, including one of Boston's four two-out homers in its seven-run fourth inning.

Rangers 5, Devil Rays 3 in Arlington, Texas. Luis Alicea had a one-out sacrifice in the 10th inning to push Texas past Tampa Bay.

Mariners 5, Royals 5 in Seattle. Alex Rodriguez hit a tiebreaking, three-run homer in the seventh inning as the Mariners won their sixth straight.

Angels 8, Orioles 3 in Anaheim. Gary Sincovich hit a tiebreaking two-run double and Jarrod Washburn pitched well after a rocky start as Anaheim snapped Baltimore's nine-game winning streak.

Pirates 7, Braves 1 in Atlanta. Steve Woodard dominated the Braves on the mound and at the plate, allowing only three hits in eight shutout innings and driving in two runs since the All-Star break.

Braves 7, Braves 6 in Atlanta. Tom Glavine (10-4) and Greg Maddux (12-6) each hit a two-run double in the eighth as the Braves won 10-9.

Red Sox 10, Tampa Bay 7 in St. Petersburg. Mike Timlin (10-4) and Pedro Martinez (10-5) each hit a two-run double in the eighth as the Red Sox won 10-7.

Red Sox 10, Twins 2 in Minneapolis. Jim Thome (10-4) and Pedro Martinez (10-5) each hit a two-run double in the eighth as the Red Sox won 10-7.

Red Sox 10, Yankees 3 in New York. Mo Vaughn hit his 24th home run and David Ortiz (10-4) and Pedro Martinez (10-5) each hit a two-run double in the eighth as the Red Sox won 10-7.

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AP Photo/SD

Herald Tribune INTERNATIONAL SPORTS

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WORLD ROUNDUP

Ronaldo's Reaction

SOCCER Ronaldo's bedroom convulsion only hours before last weekend's World Cup final may have been caused by a reaction to a common painkiller, a doctor to Britain's Olympic team told a British newspaper.

Dr. Michael Turner told the Mail on Sunday that an injection of the painkiller lignocaine could result in the sort of fit Ronaldo suffered on the day of the final.

"There's always a great temptation in sport to stick a needle in someone before a big game and give them something stronger," Turner said. "If it was lignocaine they used, then it is a drug noted to have side effects that include convulsions."

(AP)

Kenyan Runs Fastest 800

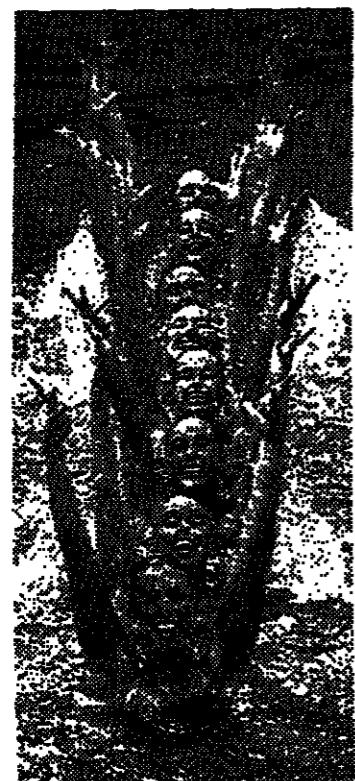
ATHLETICS Japheth Kimutai, a 19-year-old Kenyan, ran the year's fastest time in the 800 meters in Stuttgart on Sunday. Kimutai ran one minute, 42.76.

Another Kenyan, Wilson Boit Kipketer, ran 8:01.05 in the steeple-chase, the best this year.

(AP)

Springboks Beat Australia

RUGBY UNION South Africa beat Australia, 14-13, in Perth on Saturday in the Tri-Nations tournament. Australia scored two tries — by Ben Tune and George Gregan — to one by Joost Van der Westhuizen for South Africa. But Percy Montgomery kicked three penalties for South Africa, while Matt Bule made only one for Australia. (AP)



FULL OF GOODWILL — Canada's synchronized swim team performing Sunday in the 1998 Goodwill Games. Article, Page 17.

O'Meara Captures British Open In 4-Hole Playoff Against Watts

Victory Gives Masters Champion His 2d Major Tournament This Year

By Leonard Shapiro
Special to the Herald Tribune

SOUTHPORT, England — Two miracle bunker shots at the same hole was far too much to ask of Brian Watts on Sunday, especially against the resourceful Mark O'Meara, the champion of the 127th British Open and the oldest man ever to win two major titles in the same year.

Watts, an American who plays regularly on the Japanese Tour, had forced a four-hole playoff against O'Meara at tame Royal Birkdale with one of the most astounding shots from the sand at the 18th hole ever witnessed in this jolly old event.

Needing to make par, he very nearly holed the shot out of a dreadful stance, leaving it a foot from the pin, and tapped in to go to a four-hole playoff against the 1998 Masters champion.

The two men tied at even par over 72 holes, the highest score since 1986, with O'Meara shooting a two-under 68 in regulation and Watts an even-par 70.

O'Meara, 41, birdied the first hole of the playoff, the 544-yard 15th, and Watts could only manage a par five after driving into the high hay off the tee, missing a four-foot putt for birdie that just missed the right edge of the cup.

Both men would par the next two holes, allowing Meara to take a one-shot lead going into the 18th. Both men hit their tee shots to the middle of the fairway, but Watts put his second into a greenside bunker. O'Meara, knowing

his foe was in trouble, placed his second on the back of the 18th green, inches off the putting surface, but only 15 feet from the hole.

Watts knew he needed to hole out his bunker shot, at least to force an extension of the playoff, and he tried hard to accomplish that nearly impossible feat. His ball flew out of the trap, bounced several feet in front of the flag,

BRITISH OPEN GOLF

but skidded past the hole by six inches and came to rest 28 feet away.

When he two-putted for bogey, O'Meara two-putted for par, raised his arms in triumph and was greeted by his two children, who ran onto the green at the urging of their mother, who stayed behind in the photo area grinning.

"The victory was unbelievable," said O'Meara. "I was pretty impressed with myself. I was so relaxed, pretty calm and I played some solid golf. I can't put my finger on it, but this championship has always been special."

"I think I took a little bit from my Masters victory and dealt with all the pressure." O'Meara won \$520,000 for his efforts.

That brought to a close a rollicking Open, with more memorable shots coming down the stretch than anyone could possibly have imagined.

There was Tiger Woods, O'Meara's young friend, making two of the most amazing birdies on the last two holes, including a 30-foot chip-in at the 17th

and a 25-foot putt at the last to get to one-under for the tournament with a stunning 66-281.

There was the 17-year-old amateur Justin Rose holing out from the left rough from about 50 yards off the green for one last birdie that allowed him to shoot 69-282. He joined Jim Furyk, Raymond Russell of Scotland and Jesper Parnevik of Sweden in a tie for fourth place at two-over 282. His was the best finish in the Open by an amateur since 1952.

Most of all, there was O'Meara, making an incredible birdie at the 17th himself after hitting his second shot into a seemingly untenable position in the deep rough. With the ball below his feet, O'Meara managed to slip his club under the ball and bang it to within 18 feet of the hole, then made the putt for birdie to get to even par for the tournament.

He had a dicey moment at the 18th when his 20-foot birdie putt slid four feet past the hole, but he made the putt for par, a round of 68 and an even-par 280 for 72 holes. He then had to sweat out Watts's finish in the last group of the day, and he too birdied the 17th to draw even with O'Meara, making an 18-footer there after a dreadful chip.

All looked lost for Watts when he put his second shot in the bunker, but his blast to a foot and tap-in got him into the playoff. Though he was not able to win the claret jug, there still was some consolation. His prize money of \$329,000 will allow him to play the U.S. Tour for the 1999 season.



Mark O'Meara hitting out of the rough at the British Open on Sunday.

At 17, 'Amazing' Justin Rose Catapults His Way Into the Pros

By Christopher Clarey
International Herald Tribune

SOUTHPORT, England — Justin Rose walked toward an 18th green for the last time as an amateur on Sunday. He would not need to bother with holing a putt, which was just one of the many reasons why this English 17-year-old had decided that he no longer needed to bother playing this tricky game for free.

He had been leaning that direction all week at his first British Open, and on his third shot at the par-4 18th, he had leaned over in the rough to play a lob wedge about 45 yards from the cup. Up it went and before it reached its apogee, somebody shouted "Get in the hole."

Unlikely? Certainly. But then Rose had been making mischief with probability since the second round, when he shot a 66 in wind-swept, rain-swept conditions far more conducive to a 76.

Up the ball went on Sunday, and when it landed and began bouncing straight at the pin, the biggest roar of this British Open was already brewing.

When Rose's wedge shot finally dropped into the hole, the temporary bleachers surrounding Royal Birkdale's 18th green were shaking from the force of the gallery's collective delight.

"I had nothing to lose; it was one of those incredible moments — the ball got nearer and nearer and finally disappeared," Rose said. "I couldn't believe it."

Rose's imagination-stretching final birdie had not made him the first amateur in 68 years to win the British Open, but it had brought him within remarkably close range.

His 69 on Sunday would leave him in a four-way tie for fourth: two shots behind Mark O'Meara and Brian Watts, the American phenom who did not feel comfortable turning professional until he was 20.

"He has held himself together really well," Woods said. "Hopefully it will continue, and he can keep playing well and make the right decisions. I know that it would have been very difficult for me to turn pro at that age because my game really wasn't ready for it."

Obviously, he has shown some skills, and hopefully he'll be able to keep being consistent. That's the key, because the media are going to build him up to be something pretty big, and hopefully he will be able to keep playing well."

Like Rose, Woods also won the Silver Medal that is given to the low-scoring amateur at the British Open. He

did so in 1996, but unlike Rose, Woods finished in a tie for 22d that year.

Rose's finish is believed to be the best for an amateur here since Frank Stranahan was second in 1953. But Stranahan was no teenager, and on Friday when Nick Price heard that Rose had shot a 66, he turned to Woods and jokingly said, "You're 22. You're an old man already."

The men are still being separated from the boys in golf, but always not in the traditional order. O'Meara, the winner Sunday, is 41, but even so change appears to be in the wind in this game where experience and maturity have long had the edge on youthful inexperience and exuberance.

Woods was considered an anomaly when he became the world's top-ranked golfer at 21, but Rose now has confirmed that he has the ability to be an exception to the rule as well.

Mark Kuchar, the American amateur

champion, finished in a tie for 21st at the Masters this year at age 19 and then followed that up by tying for 14th at the U.S. Open.

Sergio Garcia, an 18-year-old Spaniard who won the European amateur

championship in 1995 at the age of 15,

shot a 72 on Sunday to finish 12-over

par, which would have been considered

a remarkable performance in these difficult conditions if Rose had not completely overshadowed him.

"I think Tiger obviously has brought this on," said David Leadbetter, the coach who has worked with Price and Nick Faldo. "He's got players thinking that maybe they should think about making the leap earlier, as well. There are a lot more young ones coming into the game. You're going to find players getting better younger, rather like tennis."

Leadbetter also has worked with Rose, who came to see him in Florida earlier this year.

"He's a phenomenal talent, and I think he will win a British Open one day," Leadbetter said. "He's a young body with an old head."

For the moment, neither Garcia nor

Kuchar have announced plans to turn professional, but Rose has already decided that when the Dutch Open starts this week in Hilversum, he will be playing for money.

"It was made today, this moment," Rose said of his decision. "It's something that has been weighing on my mind. It has always been a possibility, but I was going to use this week as a way of helping me decide. The way it's gone I would be silly not to. I think."

Rose, who was born in South Africa and moved to Britain at the age of 5, was indeed remarkably composed this week, and on Sunday after dropping two shots on the front nine, he finished with three birdies on the final seven holes, playing creatively when in difficulty and maintaining his rhythm throughout the round.

But what made his precocity even more pleasurable to watch was that his on-course demeanor bore little resemblance to those of his tightly wound, tightly focused elders.

As he walked through the massive galleries that followed him Saturday and Sunday, he waved or flashed a thumbs-up sign to those who shouted his name.

On Saturday, when a group of teenage girls shrieked as he walked by, Rose started giggling himself. As he walked down the 14th fairway, he turned to his caddie, Stuart Bradley, and said, "This is amazing."

On Sunday, after he finished his round, that word still applied.

"At the beginning of the week, all I wanted to be as a part of it," he said. "I didn't realize I would be such a part of it, almost getting the feel of being a winning player coming up to the 18th. That's how I felt today."



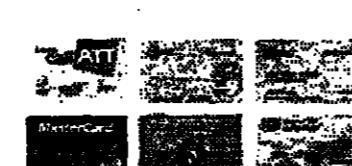
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